

EXECUTIVE OFFICES

**INTERMOUNTAIN GAS COMPANY**

555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX: 377-6097

May 23, 2001

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington St.,  
P. O. Box 83720  
Boise, ID 83720-0074

RE: Intermountain Gas Company  
Case No. INT-G-02-

Dear Ms. Jewell:

Enclosed for filing with this Commission is an original signed copy of Intermountain Gas Company's Application and supporting Workpapers for Authority to Decrease Its Prices on July 1, 2002. Intermountain is also filing this Application electronically with the Commission.

Please acknowledge receipt of this filing by stamping and returning a photocopy of this Application cover letter to us.

If you have any questions or require additional information regarding the attached, please contact me at 377-6168.

Very truly yours,



Michael P. McGrath  
Director  
Market Services and Regulatory Affairs

MPM/slk

Enclosures

cc: W. C. Glynn  
J. K. Lebens  
N. C. Hedemark  
M. E. Huntington  
P. R. Powell  
M. W. Richards, Jr.

**INTERMOUNTAIN GAS COMPANY**

**CASE NO. INT-G-02-**

**APPLICATION,  
EXHIBITS,  
AND  
WORKPAPERS**

**In the Matter of the Application of INTERMOUNTAIN GAS COMPANY  
for Authority to Decrease Its Prices on July 1, 2002**

**(July 1, 2002 Purchased Gas Cost Adjustment Filing)**

Morgan W. Richards, Jr.  
MOFFATT, THOMAS, BARRETT, ROCK & FIELDS, CHARTERED  
PO Box 829, Boise, Idaho 83701  
Telephone (208) 345-2000  
MTBR&F 11-500.310  
Attorneys for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of  
INTERMOUNTAIN GAS COMPANY  
for Authority to Decrease Its Prices

Case No. INT-G-02-  
**APPLICATION**

Intermountain Gas Company ("Intermountain"), an Idaho corporation with general offices located at 555 South Cole Road, Boise, Idaho, hereby requests authority, pursuant to Idaho Code Sections 61-307 and 61-622, to place in effect July 1, 2002 new rate schedules which will decrease its annualized revenues by \$52.5 million, pursuant to the Rules of Procedure of the Idaho Public Utilities Commission ("Commission"). Because of changes in Intermountain's gas related costs, as described more fully in this Application, Intermountain's earnings will not be effected as a result of the proposed decrease in prices and revenues. Intermountain's current rate schedules showing the proposed decreases are attached hereto as Exhibit No. 1 and are incorporated herein by reference. Intermountain's proposed rate schedules are attached hereto as Exhibit No. 2 and are incorporated herein by reference.

Communications in reference to this Application should be addressed to:

Michael E. Huntington  
Vice President – Marketing & External Affairs  
Intermountain Gas Company, Post Office Box 7608, Boise, ID 83707  
and  
Morgan W. Richards, Jr.  
Moffatt, Thomas, Barrett, Rock & Fields, Chartered  
Post Office Box 829, Boise, ID 83701

In support of this Application, Intermountain does allege and state as follows:

## I.

Intermountain is a gas utility, subject to the jurisdiction of the Idaho Public Utilities Commission, engaged in the sale of and distribution of natural gas within the State of Idaho under authority of Commission Certificate No. 219 issued December 2, 1955, as amended and supplemented by Order No. 6564, dated October 3, 1962.

Intermountain provides natural gas service to the following Idaho communities and counties and adjoining areas:

Ada County - Boise, Eagle, Garden City, Kuna, Meridian, and Star;  
Bannock County - Chubbuck, Inkom, Lava Hot Springs, McCammon, and Pocatello;  
Bear Lake County - Georgetown, and Montpelier;  
Bingham County - Aberdeen, Basalt, Blackfoot, Firth, Fort Hall, Moreland/Riverside, and Shelly;  
Blaine County - Bellevue, Hailey, Ketchum, and Sun Valley;  
Bonneville County - Ammon, Idaho Falls, Iona, and Ucon;  
Canyon County - Caldwell, Greenleaf, Middleton, Nampa, Parma, and Wilder;  
Caribou County - Bancroft, Conda, Grace, and Soda Springs;  
Cassia County - Burley, Declo, Malta, and Raft River;  
Elmore County - Glenns Ferry, Hammett, and Mountain Home;  
Fremont County - Parker, and St. Anthony;  
Gem County - Emmett;  
Gooding County - Gooding, and Wendell;  
Jefferson County - Lewisville, Menan, Rigby, and Ririe;  
Jerome County - Jerome;  
Lincoln County - Shoshone;  
Madison County - Rexburg, and Sugar City;  
Minidoka County - Heyburn, Paul, and Rupert;  
Owyhee County - Bruneau, Homedale;  
Payette County - Fruitland, New Plymouth, and Payette;  
Power County - American Falls;  
Twin Falls County - Buhl, Filer, Hansen, Kimberly, Murtaugh, and Twin Falls;  
Washington County - Weiser.

Intermountain's properties in these locations consist of transmission pipelines, a compressor station, a liquefied natural gas storage facility, distribution mains, services, meters and regulators, and general plant and equipment.

## II.

Intermountain seeks with this Application to pass through to each of its customer classes a decrease in gas related costs resulting from: 1) a net decrease in costs for Intermountain's natural gas interstate transportation, 2) an updated customer allocation of gas related costs pursuant to the Company's Purchased Gas Cost Adjustment provision, and 3) the inclusion of temporary surcharges and credits for one year relating to gas and interstate transportation costs from

Intermountain's deferred gas cost account. Intermountain also seeks with this Application to eliminate the temporary surcharges and credits included in its current prices during the past 12 months, pursuant to Case No. INT-G-01-3. The aforementioned changes would result in an overall price decrease to Intermountain's RS-1, RS-2, GS-1, LV-1, T-1 and T-2 customers.

These price changes are applicable to service rendered under rate schedules affected by and subject to Intermountain's Purchased Gas Cost Adjustment ("PGA"), approved by this Commission in Order No. 26019, Case No. INT-G-95-1.

Exhibit No. 4 summarizes the price changes in: 1) Intermountain's base rate gas costs and its rate class allocation, and 2) adjusting temporary surcharges or credits flowing through to Intermountain's direct sales and transportation customers. Exhibit No. 4 is attached hereto and incorporated herein by reference.

### **III.**

The current prices of Intermountain are those approved by this Commission in Order No. 28783, Case No. INT-G-01-3.

### **IV.**

Intermountain's proposed prices incorporate all price changes impacting Intermountain's Interstate Capacity including, but not limited to, prices charged by Williams Gas Pipeline – West ("Williams" or "Northwest") tariffs which have transpired since Intermountain's last PGA filing in Case No. INT-G-01-3. Exhibit No. 4, Lines 1 through 32, details the proposed decrease in Intermountain's prices resulting from Intermountain's natural gas interstate transportation and storage costs.

### **V.**

The Weighted Average Cost of Gas ("WACOG") reflected in Intermountain's proposed prices is \$0.35295 per therm, as shown on Exhibit No. 4, Lines 26 through 29, Column (f). This is the same WACOG recently approved by this Commission as part of Case No. INT-G-01-3, Order No. 28783. Current market based commodity prices support the continuance of the \$0.35295 per therm WACOG to Intermountain's customers.

The PGA mechanism established with this Commission has been instrumental in providing Intermountain, on behalf of its customers, the needed flexibility to patiently await, and then lock or hedge, natural gas prices driven by market fundamentals rather than the vagaries of the natural gas futures market. Intermountain Gas Company continues to be vigilant in managing

its gas supplies and storage agreements and is party to certain natural gas hedging transactions that will afford its customers savings over the next twelve (12) month period as compared to the \$0.35295 per therm WACOG.

Intermountain strongly supports long-term price stability for its customers and incorporates a price stability criterion when managing its gas supplies. Natural gas futures prices portend an upward trend for future PGA periods as depicted on Exhibit No. 5. While there is no assurance that this will be the case, Intermountain believes that market fundamentals will not support the future price levels shown on Exhibit No. 5., and continues to rely strongly on the supply and demand fundamentals that should result in natural gas prices at a lower price range.

Intermountain believes that by allowing the WACOG to remain at the \$0.35295 per therm level, a price increase can be avoided, or at a minimum mitigated, during the July 2003 PGA period (1 year from today) by offsetting future increases with the savings generated by Intermountain's currently hedged supplies.

Intermountain continues to be vigilant in monitoring and managing the prices paid pursuant to the contracts with its suppliers. Intermountain intends to file an "out of period" PGA if natural gas prices decline substantially to a level that facilitates price stability for the future with the pass through of any deferred gas cost credits that may exist at the time.

Exhibit No. 5 is attached hereto and incorporated herein by reference.

## VI.

Pursuant to Case No. INT-G-01-3, Intermountain has included temporary surcharges and credits in its July 1, 2001 prices for the principal reason of collecting or passing back to its customers deferred gas cost charges and benefits, as outlined in Case No. INT-G-01-3. Line 34 of Exhibit No. 4 reflects the elimination of these temporary surcharges and credits.

## VII.

Intermountain's PGA tariff, approved in Order No. 26019, Case No. INT-G-95-1, includes provisions whereby Intermountain's proposed prices will be adjusted for updated customer class sales volumes and purchased gas cost allocations, pursuant to the Company's approved cost of service methodology. Intermountain's proposed prices include a fixed cost collection adjustment pursuant to these PGA provisions, as outlined on Exhibit No. 6, Line 25. The price reduction resulting from this adjustment is included on Exhibit No. 4, Line No. 35. Exhibit No. 6 is attached hereto and incorporated herein by reference.

### VIII.

Intermountain is party to certain agreements whereby Intermountain has released segmented portions of its firm capacity rights when not needed to meet its customer needs, and proposes to pass back to its customers the benefits generated from the capacity release agreements, totaling \$2.4million. Exhibit No. 7, Line 1, reflects the inclusion of the \$2.4 million credit. Intermountain proposes to pass back this amount via the per therm credit as detailed on Exhibit No. 8. Exhibit No.'s 7 and 8 are attached hereto and incorporated herein by reference.

### IX.

On July 26, 2001, Northwest submitted its Compliance Filing in Federal Energy Regulatory Commission's ("FERC") Docket No. RP95-409. The Compliance Filing indicated that Northwest would be preparing refunds consistent with the Compliance Filing and that Northwest intended to issue the refunds by August 31, 2001. Intermountain Gas Company received \$3.3 Million from Northwest pursuant to the Compliance Filing. The rates at issue in the RP95-409 Case were effective for a locked-in period of 13 months from February 1, 1996 through February 28, 1997. Several of Intermountain Gas Company's industrial customers that received firm transportation service from Intermountain during this 13 month period have since migrated to Intermountain's T-3 and T-4 service. Intermountain proposes to refund an allocated portion of the \$3.3 million, or \$0.9 million, directly to Intermountain's LV-1, T-1, T-2, T-3 and T-4 customers to reimburse these customers for overpayment's made during the locked-in period via a credit on the industrial customer's bill. The allocated portion is reflective of the fixed cost responsibility assigned to Intermountain's customers during the locked-in period.

Intermountain proposes to pass back to its RS-1, RS-2, and GS-1 customers a refund amount generated from Northwest's Case No. RP95-409, totaling \$2.4 million. Exhibit No. 7, Line 2, reflects the inclusion of the \$2.4 million refund. Intermountain proposes to pass back this amount via the per therm credit as detailed on Exhibit No. 9. Exhibit No. 9 is attached hereto and incorporated herein by reference.

## X.

In compliance with the Federal Energy Regulatory Commission's Orders in Docket No. RP93-5 and in conformity with Part 154 of FERC's regulations, Northwest was directed to impose surcharges resulting from excess refunds made during the period April 1, 1993 through October 31, 1994. Intermountain Gas Company was surcharged \$1.2 Million from Northwest pursuant to Docket No. RP93-5. Several of Intermountain Gas Company's industrial customers that received firm transportation service from Intermountain during this April 1, 1993 through October 31, 1994 period, and received a portion of the excess refunds, have since migrated to Intermountain's T-3 and T-4 service. Intermountain proposes to charge an allocated portion of the \$1.2 million, or \$0.3 million, directly to Intermountain's LV-1, T-1, T-2, T-3 and T-4 customers via a surcharge on the industrial customer's bill. The allocation of this surcharge to all customer classes is reflective of the refunds originally made pursuant to Docket No. RP93-5 which were included in Intermountain's IPUC Case No. INT-G-98-4.

Intermountain proposes to collect from its RS-1, RS-2, and GS-1 customers a surcharge amount generated from Northwest's Case No. RP93-5 totaling \$0.9 million. Exhibit No. 7, Line 3, reflects the inclusion of the \$0.9 million surcharge. Intermountain proposes to collect this amount via the per therm surcharge as detailed on Exhibit No. 10. Exhibit No. 10 is attached hereto and incorporated herein by reference.

## XI.

Intermountain proposes to allocate deferred gas costs from its Account No. 186 balance to its customers through temporary price adjustments effective during the 12-month period ending June 30, 2003, as follows:

1) Intermountain has been deferring in its Account No. 186 fixed gas costs. The debit shown on Exhibit No. 11, Line 11, Col. (b) of \$116,073 is predominantly attributable to the collection of interstate pipeline capacity costs and the true-up of expense issues previously ruled on by this Commission. Intermountain proposes to collect or pass back these balances via the per therm surcharges and credits, as detailed on Exhibit No. 11 and included on Exhibit No. 7, Line 4. Exhibit No. 11 is attached hereto and incorporated herein by reference.

2) Intermountain has been deferring in its Account No. 186 amounts representing unamortized variable gas costs from Case No. INT-G-01-3. Intermountain's Account No. 186 balance estimated at June 30, 2002 includes a debit balance of \$470,959 pursuant to these

unamortized amounts, as shown on Exhibit No. 12, Lines 2-4, Col. (b). Intermountain proposes to collect this debit balance via the per therm surcharge, as shown on Exhibit No. 12 and included on Exhibit No. 7, Line 5. Exhibit No. 12 is attached hereto and incorporated herein by reference.

3) Intermountain has been deferring in its Account No. 186 deferred gas cost credits of \$6,766,014 [Exhibit No. 12, Lines 5-7, Col. (b)], attributable to Intermountain's variable gas cost collection since July 1, 2001. In its Order No. 28783, Case No. INT-G-01-3, the Commission directed Intermountain Gas Company to continue to defer on its books \$3,505,756 in spot market purchases until the next PGA tracker. The Commission Staff has completed its investigation of these purchases and the amount has been included for collection in the deferred credit noted above. Intermountain's gas supply management efforts were instrumental in securing supplies below the WACOG embedded in its tariffs resulting in the overall credit shown above. Intermountain proposes to pass back the \$6,766,014 credit balance via a per therm credit, as shown on Exhibit No. 12 and included on Exhibit No. 7, Line 5.

## **XII.**

Intermountain has allocated the proposed price decrease to each of its customer classes based upon Intermountain's PGA provision. A straight cents per therm price decrease was not utilized for the T-1 tariff. No fixed costs are currently recovered in the tail block of Intermountain's T-1 tariff. Absent Williams' firm transportation TF-1 Commodity Charge, the proposed decrease in the T-1 tariff is fixed cost related, and therefore, a cents per therm decrease was made only to the first two blocks of the tariff for these fixed costs.

## **XIII.**

The proposed decrease in the T-2 tariff is fixed cost related, and therefore, a cents per therm decrease was made only to the T-2 demand charge for these fixed costs.

## **XIV.**

Exhibit No. 13 is an analysis of the overall price decrease by class of customer. Exhibit No. 13 is attached hereto and incorporated herein by reference.

**XV.**

The proposed overall price decrease herein requested among the classes of service of Intermountain will not affect Intermountain's earnings, and is just, fair, and equitable.

**XVI.**

This Application is filed pursuant to the applicable statutes and the Rules and Regulations of the Commission. This Application has been brought to the attention of Intermountain's customers through a Customer Notice and by a Press Release sent to daily and weekly newspapers, and major radio and television stations in Intermountain's service area. The Press Release and Customer Notice are attached hereto and incorporated herein by reference. Copies of this Application, its Exhibits, and Workpapers have been provided to those parties regularly intervening in Intermountain's rate proceedings.

**XVII.**

Intermountain requests that this matter be handled under modified procedure pursuant to Rules 201-204 of the Commission's Rules of Procedure. Intermountain stands ready for immediate consideration of this matter.

WHEREFORE, Intermountain respectfully petitions the Idaho Public Utilities Commission as follows:

- a. That the proposed rate schedules herewith submitted as Exhibit No. 2 be approved without suspension and made effective as of July 1, 2002 in the manner shown on Exhibit No. 2.
- b. That this Application be heard and acted upon without hearing under modified procedure, and
- c. For such other relief as this Commission may determine proper herein.

DATED at Boise, Idaho, this 23rd day of May, 2002.

INTERMOUNTAIN GAS COMPANY

MOFFATT, THOMAS, BARRETT, ROCK  
& FIELDS, CHARTERED

By Michael E. Huntington  
Michael E. Huntington  
Vice President  
Marketing & External Affairs

By Morgan W. Richards, Jr.  
Morgan W. Richards, Jr.  
Of the Firm  
Attorneys for Intermountain Gas Company

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 23rd day of May, 2002, I served a copy of the foregoing Case No. INT-G-02- upon:

Lisa Nordstrom  
Deputy Attorney General  
Idaho Public Utilities Commission  
472 W. Washington St., PO Box 83720  
Boise, ID 83720-0074

Edward A. Finklea  
Paula E. Pyron  
Energy Advocates LLP  
526 NW 18<sup>th</sup> Avenue  
Portland, OR 97209

R. Scott Pasley  
J. R. Simplot Company  
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Conley E. Ward, Jr.  
Givens, Pursley, Webb & Huntley  
277 N. 6th St., Suite 200  
PO Box 2720  
Boise, ID 83701

Paula Pyron  
Northwest Industrial Gas Users  
4113 Wolf Berry Court  
Lake Oswego, OR 97035

Wendell M. Phillips  
615 South Phillippi Street  
Boise, ID 83705

by depositing true copies thereof in the United States Mail, postage prepaid, in envelopes addressed to said persons at the above addresses.

  
\_\_\_\_\_  
Michael P. McGrath  
Director  
Market Services and Regulatory Affairs

**EXHIBIT NO. 1**

**CASE NO. INT-G-02-**

**INTERMOUNTAIN GAS COMPANY**

**CURRENT TARIFFS**

**Showing Proposed Price Changes**

**(8 pages)**

**COMPARISON OF JULY 16, 2001 PRICES  
TO PROPOSED JULY 1, 2002 PRICES**

<u>Line No.</u>	<u>Rate Class</u> (a)	<u>July 16, 2001 Prices</u> <u>INT-G-01-3</u> (b)	<u>Proposed Adjustment</u> (c)	<u>Proposed July 1, 2002 Prices</u> (d)
1	<b>RS-1</b>			
2	April - November	\$ 0.94975	\$ (0.20818)	\$ 0.74157
3	December - March	0.83719	(0.20818)	0.62901
4	<b>RS-2</b>			
5	April - November	0.81517	(0.20524)	0.60993
6	December - March	0.78154	(0.20524)	0.57630
7	<b>GS-1</b>			
8	April - November			
9	Block 1	0.83797	(0.20419)	0.63378
10	Block 2	0.81624	(0.20419)	0.61205
11	Block 3	0.79522	(0.20419)	0.59103
12	December - March			
13	Block 1	0.78712	(0.20419)	0.58293
14	Block 2	0.76592	(0.20419)	0.56173
15	Block 3	0.74546	(0.20419)	0.54127
16	CNG Fuel	0.74546	(0.20419)	0.54127
17	<b>LV-1</b> <sup>(1)</sup>			
18	Block 1	0.64497	(0.20237) <sup>2</sup>	0.44260
19	Block 2	0.60648	(0.20237) <sup>3</sup>	0.40411
20	Block 3	0.53086	(0.19603) <sup>4</sup>	0.33483
21	<b>T-1</b>			
22	Block 1	0.12482	(0.00634) <sup>2</sup>	0.11848
23	Block 2	0.08633	(0.00634) <sup>3</sup>	0.07999
24	Block 3	0.01071	0.00000 <sup>4</sup>	0.01071
25	Ammonia	0.02525	0.00000	0.02525
26	<b>T-2</b>			
27	Demand Block 1	1.60887	(0.07038)	1.53849
28	Demand Block 2	0.80729	(0.07038)	0.73691
29	Commodity Charge	0.00656	0.00000	0.00656
30	Over-Run Service	0.04915	0.00000	0.04915

<sup>1</sup> The LV-1 Adjustment is calculated by taking Line 22 - 24, Col (c), minus the variable temporary from INT-G-01-3, plus the variable temporary on Exhibit 17, Line 8, Col (b)

<sup>2</sup> See Workpaper No. 7, Line 13, Col (e)

<sup>3</sup> See Workpaper No. 7, Line 20, Col (e)

<sup>4</sup> See Workpaper No. 7, Line 21, Col (e)



I.P.U.C. Gas Tariff  
Second Revised Volume No. 1  
(Supersedes First Revised Volume No. 1)  
Thirty-Second Third Revised Sheet No. 02 (Page 1 of 1)

Name  
of Utility

**Intermountain Gas Company**

Exhibit No. 1  
Case No. INT-G-02-  
Intermountain Gas Company  
Page 3 of 8

IDAHO PUBLIC UTILITIES COMMISSION  
APPROVED EFFECTIVE

~~JUL 16 '01~~ ~~JUL 16 '01~~  
Pin. 02-25783  
*Ann M. Powell* SECRETARY

Rate Schedule RS-2  
MULTIPLE USE RESIDENTIAL SERVICE

**AVAILABILITY:**

Available to individually metered consumers using gas for several residential purposes including both water heating and space heating.

**RATE:**

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.50 per bill  
\$0.60993

Commodity Charge - ~~\$0.81517~~ per therm\*

For billing periods ending December through March

Customer Charge - \$6.50 per bill  
\$0.57630

Commodity Charge - ~~\$0.78154~~ per therm\*

\*Includes:

Temporary purchased gas cost adjustment of ~~\$0.16159~~ \$(0.03839)  
Weighted average cost of gas of \$0.35295

**PURCHASED GAS COST ADJUSTMENT:**

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

**SERVICE CONDITIONS:**

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington

Title: Vice President – Marketing and External Affairs

Effective: July 16, 2004 July 1, 2002

Name  
of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION  
APPROVED EFFECTIVE

~~JUL 16 '01~~ JUL 16 '01  
Per O.V. 28753  
*Jan. H. Powell* SECRETARY

Rate Schedule GS-1  
GENERAL SERVICE

AVAILABILITY:

Available to individually metered customers whose requirements for natural gas do not exceed 2,000 therms per day, at any point on Company's distribution system. Requirements in excess of 2,000 therms per day may be served under this rate schedule upon execution of a one-year written service contract.

RATE:

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.00 per bill

Commodity Charge - First 200 therms per bill @ \$0.83797*	\$0.63378*
Next 1,800 therms per bill @ \$0.81624*	\$0.61205*
Over 2,000 therms per bill @ \$0.79522*	\$0.59103*

For billing periods ending December through March

Customer Charge - \$9.50 per bill

Commodity Charge - First 200 therms per bill @ \$0.78712*	\$0.58293*
Next 1,800 therms per bill @ \$0.76592*	\$0.56173*
Over 2,000 therms per bill @ \$0.74546*	\$0.54127*

\*Includes:

Temporary purchased gas cost adjustment of \$0.16038	\$(0.03877)
Weighted average cost of gas of \$0.35295	

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington

Title: Vice President - Marketing and External Affairs

Effective: July 16, 2001 July 1, 2002

Name  
of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION  
APPROVED EFFECTIVE

~~JUL 16 '01~~ ~~JUL 16 '01~~  
Per O.V. 25783  
*Frank Powell* SECRETARY

Rate Schedule GS-1  
GENERAL SERVICE (Continued)

For separately metered deliveries of gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines.

Customer Charge - \$9.50 per bill  
\$0.54127  
Commodity Charge - \$0.74546 per therm\*

\*Includes:

Temporary purchased gas cost adjustment of ~~\$0.16038~~ \$(0.03877)  
Weighted average cost of gas of \$0.35295

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. Any GS-1 customer who leaves the GS-1 service will pay to Intermountain Gas Company, upon exiting the GS-1 service, all gas and transportation related costs incurred to serve the customer during the GS-1 service period not borne by the customer during the time the customer was using GS-1 service. Any GS-1 customer who leaves the GS-1 service will have refunded to them, upon exiting the GS-1 service, any excess gas commodity or transportation payments made by the customer during the time they were a GS-1 customer.
2. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington

Title: Vice President – Marketing and External Affairs

Effective: July 16, 2004 July 1, 2002

Name  
of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION  
APPROVED EFFECTIVE

~~JUL 16 '01~~ ~~JUL 16 '01~~  
Per. O.R. 28783  
*Ann M. Powell* SECRETARY

Rate Schedule LV-1  
LARGE VOLUME FIRM SALES SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, or any new customer whose usage does not exceed 500,000 therms annually, upon execution of a one-year minimum written service contract for firm sales service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

First	250,000 therms per bill @ \$0.64497*	\$0.44260*
Next	500,000 therms per bill @ \$0.60648*	\$0.40411*
Amount Over 750,000 therms per bill @ \$0.53086**		\$0.33483**

The above prices include weighted average cost of gas of \$0.35295

\* Includes temporary purchased gas cost adjustment of \$0.16849 \$(0.02944)

\*\* Includes temporary purchased gas cost adjustment of \$0.17130 \$(0.02473)

PURCHASED GAS COST ADJUSTMENT (PGA):

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.

2. Any LV-1 customer who exits the LV-1 service at any time (including, but not limited to, the expiration of the contract term) will pay to Intermountain Gas Company, upon exiting the LV-1 service, all gas and/or interstate transportation related costs to serve the customer during the LV-1 contract period not borne by the customer during the LV-1 contract period. Any LV-1 customer will have refunded to them, upon exiting the LV-1 service, any excess gas and/or interstate transportation related payments made by the customer during the LV-1 contract period.

3. In the event that total deliveries to any customer within the last three contract periods met or exceeded the 200,000 therm threshold, but the customer during the current contract period used less than the contract minimum of 200,000 therms, an additional amount shall be billed. The additional amount shall be calculated by billing the deficit usage below 200,000 therms at the T-1 Block 1 rate. The customer's future eligibility for the LV-1 Rate Schedule will be renegotiated with the Company.

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington

Title: Vice President – Marketing and External Affairs

Effective: July 16, 2004 July 1, 2002

Name  
of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION  
APPROVED EFFECTIVE

~~JUL 16 '01~~ JUL 16 '01  
Pen. O.V. 28783  
*Ann M. Powell* SECRETARY

Rate Schedule T-1  
FIRM TRANSPORTATION SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, upon execution of a one year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

All usage other than as feedstock in the production of ammonia:

Block One: First 250,000 therms transported @ \$0.12482\* \$0.11848  
Block Two: Next 500,000 therms transported @ \$0.08633\* \$0.07999  
Block Three: Amount over 750,000 therms transported @ \$0.01071

All therms used as feedstock in the production of ammonia: @ \$0.02525

\*Includes temporary purchased gas cost adjustment of ~~\$(0.00281)~~ \$(0.00471)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. The customer shall negotiate a Maximum Daily Firm Quantity (MDFQ) amount, which will be stated in and will be in effect throughout the term of the service contract. The MDFQ shall not exceed the customer's historical maximum daily usage, as agreed to by the Company.

In the event the Customer requires daily usage in excess of the MDFQ, and subject to the availability of firm interstate transportation to service Intermountain's system, all such usage may be transported and billed under either secondary rate schedule T-3 or T-4. The secondary rate schedule to be used shall be predetermined by negotiation between the Customer and Company, and shall be included in the service contract. All volumes transported under the secondary rate schedule are subject to the provisions of the applicable rate schedule T-3 or T-4.

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington

Title: Vice President - Marketing and External Affairs

Effective: July 16, 2004 July 1, 2002

Name of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION  
 APPROVED EFFECTIVE

~~JUL 16 '01~~ JUL 16 '01  
 Pen. 020-28783  
*Ann D. Powell* SECRETARY

Rate Schedule T-2  
 FIRM TRANSPORTATION SERVICE WITH MAXIMUM DAILY DEMANDS

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing T-2 customer whose daily contract demand for nonammonia therms on any given day meets or exceeds a predetermined level agreed to by the customer and the Company upon execution of a one-year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

<u>Firm Service</u>	<u>Rate Per Therm</u>
Demand Charge:	
Firm Daily Demand -	
First 15,000 therms	\$1.60887* \$1.53849*
Amount over 15,000 therms	\$0.80729* \$0.73691*
Commodity Charge:	
For Firm Therms Transported	\$0.00656
*Includes temporary purchased gas cost adjustment of <del>\$(0.07129)</del> \$(0.09627)	
<u>Over-Run Service</u>	
Commodity Charge:	
For Therms Transported In Excess Of MDFQ:	\$0.04915

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. The customer shall nominate a Maximum Daily Firm Quantity (MDFQ), which will be stated in and will be in effect throughout the term of the service contract.
3. The monthly Demand Charge will be equal to the MDFQ times the Firm Daily Demand rate. Firm demand relief will be afforded to those T-2 customers paying both demand and commodity charges for gas when, in the Company's judgment, such relief is warranted.
4. The actual therm usage for the month or the MDFQ times the number of days in the billing month, whichever is less, will be billed at the commodity charge for firm therms.

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington

Title: Vice President - Marketing and External Affairs

Effective: ~~July 16, 2001~~ July 1, 2002

**EXHIBIT NO. 2**

**CASE NO. INT-G-02-**

**INTERMOUNTAIN GAS COMPANY**

**PROPOSED TARIFFS**

**(7 pages)**

Name of Utility **Intermountain Gas Company**

Rate Schedule RS-1  
RESIDENTIAL SERVICE

**AVAILABILITY:**

Available to individually metered consumers not otherwise specifically provided for, using natural gas for residential purposes.

**RATE:**

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.50 per bill

Commodity Charge - \$0.74157 per therm\*

For billing periods ending December through March

Customer Charge - \$6.50 per bill

Commodity Charge -\$0.62901 per therm\*

**\*Includes:**

Temporary purchased gas cost adjustment of \$(0.03915)  
Weighted average cost of gas of \$0.35295

**PURCHASED GAS COST ADJUSTMENT:**

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

**SERVICE CONDITIONS:**

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**  
By: Michael E. Huntington Title: Vice President – Marketing and External Affairs  
Effective: July 1, 2002

Name  
of Utility

**Intermountain Gas Company**

**Rate Schedule RS-2  
MULTIPLE USE RESIDENTIAL SERVICE**

**AVAILABILITY:**

Available to individually metered consumers using gas for several residential purposes including both water heating and space heating.

**RATE:**

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.50 per bill

Commodity Charge - \$0.60993 per therm\*

For billing periods ending December through March

Customer Charge - \$6.50 per bill

Commodity Charge \$0.57630 per therm\*

**\*Includes:**

Temporary purchased gas cost adjustment of \$(0.03839)  
Weighted average cost of gas of \$0.35295

**PURCHASED GAS COST ADJUSTMENT:**

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

**SERVICE CONDITIONS:**

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington

Title: Vice President – Marketing and External Affairs

Effective: July 1, 2002

Name of Utility **Intermountain Gas Company**

Rate Schedule GS-1  
GENERAL SERVICE

**AVAILABILITY:**

Available to individually metered customers whose requirements for natural gas do not exceed 2,000 therms per day, at any point on Company's distribution system. Requirements in excess of 2,000 therms per day may be served under this rate schedule upon execution of a one-year written service contract.

**RATE:**

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.00 per bill

Commodity Charge - First 200 therms per bill @ \$0.63378\*  
Next 1,800 therms per bill @ \$0.61205\*  
Over 2,000 therms per bill @ \$0.59103\*

For billing periods ending December through March

Customer Charge - \$9.50 per bill

Commodity Charge - First 200 therms per bill @ \$0.58293\*  
Next 1,800 therms per bill @ \$0.56173\*  
Over 2,000 therms per bill @ \$0.54127\*

**\*Includes:**

Temporary purchased gas cost adjustment of \$(0.03877)  
Weighted average cost of gas of \$0.35295

Name  
of Utility **Intermountain Gas Company**

Rate Schedule GS-1  
GENERAL SERVICE (Continued)

For separately metered deliveries of gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines.

Customer Charge - \$9.50 per bill

Commodity Charge - \$0.54127 per therm\*

\*Includes:

Temporary purchased gas cost adjustment of \$(0.03877)  
Weighted average cost of gas of \$0.35295

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. Any GS-1 customer who leaves the GS-1 service will pay to Intermountain Gas Company, upon exiting the GS-1 service, all gas and transportation related costs incurred to serve the customer during the GS-1 service period not borne by the customer during the time the customer was using GS-1 service. Any GS-1 customer who leaves the GS-1 service will have refunded to them, upon exiting the GS-1 service, any excess gas commodity or transportation payments made by the customer during the time they were a GS-1 customer.
2. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Name  
of Utility **Intermountain Gas Company**

Rate Schedule LV-1  
LARGE VOLUME FIRM SALES SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, or any new customer whose usage does not exceed 500,000 therms annually, upon execution of a one-year minimum written service contract for firm sales service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

First	250,000 therms per bill @ \$0.44260*
Next	500,000 therms per bill @ \$0.40411*
Amount Over	750,000 therms per bill @ \$0.33483**

The above prices include weighted average cost of gas of \$0.35295

\* Includes temporary purchased gas cost adjustment of \$(0.02944)

\*\* Includes temporary purchased gas cost adjustment of \$(0.02473)

PURCHASED GAS COST ADJUSTMENT (PGA):

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.

2. Any LV-1 customer who exits the LV-1 service at any time (including, but not limited to, the expiration of the contract term) will pay to Intermountain Gas Company, upon exiting the LV-1 service, all gas and/or interstate transportation related costs to serve the customer during the LV-1 contract period not borne by the customer during the LV-1 contract period. Any LV-1 customer will have refunded to them, upon exiting the LV-1 service, any excess gas and/or interstate transportation related payments made by the customer during the LV-1 contract period.

3. In the event that total deliveries to any customer within the last three contract periods met or exceeded the 200,000 therm threshold, but the customer during the current contract period used less than the contract minimum of 200,000 therms, an additional amount shall be billed. The additional amount shall be calculated by billing the deficit usage below 200,000 therms at the T-1 Block 1 rate. The customer's future eligibility for the LV-1 Rate Schedule will be renegotiated with the Company.

Issued by: **Intermountain Gas Company**

By: Michael E. Huntington  
Effective: July 1, 2002

Title: Vice President – Marketing and External Affairs

Name of Utility **Intermountain Gas Company**

Rate Schedule T-1  
FIRM TRANSPORTATION SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, upon execution of a one year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

All usage other than as feedstock in the production of ammonia:

Block One: First 250,000 therms transported @ \$0.11848\*

Block Two: Next 500,000 therms transported @ \$0.07999\*

Block Three: Amount over 750,000 therms transported @ \$0.01071

All therms used as feedstock in the production of ammonia: @ \$0.02525

\*Includes temporary purchased gas cost adjustment of \$(0.00471)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. The customer shall negotiate a Maximum Daily Firm Quantity (MDFQ) amount, which will be stated in and will be in effect throughout the term of the service contract. The MDFQ shall not exceed the customer's historical maximum daily usage, as agreed to by the Company.

In the event the Customer requires daily usage in excess of the MDFQ, and subject to the availability of firm interstate transportation to service Intermountain's system, all such usage may be transported and billed under either secondary rate schedule T-3 or T-4. The secondary rate schedule to be used shall be predetermined by negotiation between the Customer and Company, and shall be included in the service contract. All volumes transported under the secondary rate schedule are subject to the provisions of the applicable rate schedule T-3 or T-4.

Issued by: **Intermountain Gas Company**  
By: Michael E. Huntington Title: Vice President – Marketing and External Affairs  
Effective: July 1, 2002

Name of Utility **Intermountain Gas Company**

Rate Schedule T-2  
FIRM TRANSPORTATION SERVICE WITH MAXIMUM DAILY DEMANDS

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing T-2 customer whose daily contract demand for nonammonia therms on any given day meets or exceeds a predetermined level agreed to by the customer and the Company upon execution of a one-year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

<u>Firm Service</u>	<u>Rate Per Therm</u>
Demand Charge:	
Firm Daily Demand -	
First 15,000 therms	\$1.53849*
Amount over 15,000 therms	\$0.73691*
Commodity Charge:	
For Firm Therms Transported	\$0.00656
*Includes temporary purchased gas cost adjustment of \$(0.09627)	
<u>Over-Run Service</u>	
Commodity Charge:	
For Therms Transported In Excess Of MDFQ:	\$0.04915

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. The customer shall nominate a Maximum Daily Firm Quantity (MDFQ), which will be stated in and will be in effect throughout the term of the service contract.
3. The monthly Demand Charge will be equal to the MDFQ times the Firm Daily Demand rate. Firm demand relief will be afforded to those T-2 customers paying both demand and commodity charges for gas when, in the Company's judgment, such relief is warranted.
4. The actual therm usage for the month or the MDFQ times the number of days in the billing month, whichever is less, will be billed at the commodity charge for firm therms.

Issued by: **Intermountain Gas Company**  
By: Michael E. Huntington  
Effective: July 1, 2002

Title: Vice President - Marketing and External Affairs

**EXHIBIT NO. 3**

**CASE NO. INT-G-02-**

**INTERMOUNTAIN GAS COMPANY**

**PERTINENT EXCERPTS FROM WILLIAMS FILINGS**

**(16 pages)**



GAS PIPELINE - WEST  
295 Chipeta Way (84108)  
P.O. Box 58900  
Salt Lake City, UT 84158-0900  
Phone: (801) 583-8800  
FAX: (801) 584-7764

January 23, 2002

**TO: ALL HOLDERS OF NORTHWEST PIPELINE CORPORATION'S  
FERC GAS TARIFF, THIRD REVISED VOLUME NO. 1**

Please insert the enclosed tariff sheets into your copy of Northwest's FERC Gas Tariff, Third Revised Volume No. 1. A brief description of the proceedings in which these tariff sheets were accepted or are pending is provided below. Also, enclosed is a list of Northwest's currently effective tariff sheets as of January 23, 2002.<sup>1</sup>

Docket No. RP02-77

On November 29, 2001, Northwest filed the following tariff sheet to incorporate the new GRI surcharges approved by the Commission for 2002. In an order dated December 21, 2001, the Commission accepted this sheet to be effective January 1, 2002.

Twenty-Second Revised Sheet No. 5

Docket No. RP02-116

On December 3, 2001, Northwest filed tariff sheets to add a new rate schedule, Rate Schedule DEX-1, to Northwest's tariff for the deferred exchange of storage gas. This rate schedule provides a mechanism for Northwest to increase the level of its system balancing gas in a particular gas storage facility without using mainline capacity to transport the gas from a storage facility connected to its system in a different geographical area. In an order dated January 2, 2002, the Commission accepted the sheets filed on December 3 to be effective January 1, 2002, subject to conditions. On January 23, 2002, Northwest filed revised tariff sheets to comply with the January 2, 2002 order. These tariff sheets supersede certain sheets filed on December 3. Thus, the following tariff sheets were either accepted in the January 2 order or were filed on January 23 and are currently pending Commission acceptance.

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<sup>1</sup> As discussed below, certain tariff sheets pending in Docket No. RP02-116 are included in this list.

All-Holders  
January 23, 2002  
Page 2 of 2

Substitute Eighth Revised Sheet No. 6\*  
Substitute Fifteenth Revised Sheet No. 14\*  
Fifth Revised Sheet No. 15  
Substitute Second Revised Sheet No. 115\*  
Substitute Second Revised Sheet No. 116\*  
Substitute Third Revised Sheet No. 117\*  
Substitute Second Revised Sheet No. 118\*  
First Revised Sheet No. 119  
Eighth Revised Sheet No. 200  
Third Revised Sheet No. 215

Substitute Eighth Revised Sheet No. 231\*  
Seventh Revised Sheet No. 231-A\*  
Third Revised Sheet No. 231-B\*  
Fifth Revised Sheet No. 245  
Fourth Revised Sheet No. 303-A  
Substitute Original Sheet No. 359\*  
Substitute Third Revised Sheet No. 360\*  
Second Revised Sheet No. 361  
First Revised Sheet No. 362

\*These tariff sheets are designated as pending on the enclosed tariff sheets.

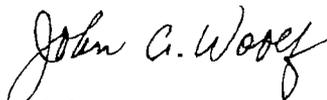
#### Other Information

If you have questions concerning Northwest's regulatory issues, please call me or any of the other individuals listed below:

Billie Tolman	Manager, Tariffs & Regulatory Analysis	(801) 584-6976
John Woolf	Sr. Regulatory Analyst	(801) 584-6873
Toni Sharp	Sr. Regulatory Analyst	(801) 584-6389
Gary Kotter	Manager, Certificates	(801) 584-7117
Bruce Warner	Manager, Rates and Planning	(801) 584-7251
Barbara Odland	Office Administrator	(801) 584-6781

Northwest publishes *FERCWatch* to provide customers with information on Northwest's current and pending filings. It can be viewed on Northwest's EBB and Internet web site. You may also view Northwest's tariff on its Internet web site at [www.1line.williams.com](http://www.1line.williams.com).

Sincerely,



John A. Woolf

TF01013800083099NORTHWEST PIPELINE CORPORATION  
TF021 3Third Revised Volume No. 1  
TF030 00000P126 Sheet No. 0  
TF04  
TF05Larry Larsen,Vice President  
TF06083099 100199  
TF07

FERC GAS TARIFF

THIRD REVISED VOLUME NO. 1

(Superseding Second Revised Volume No. 1 and  
First Revised Volume No. 1-A)

Of

NORTHWEST PIPELINE CORPORATION

Filed with

FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff should be sent to:

Larry E. Larsen, Vice President, Customer Services and Rates Northwest  
Pipeline Corporation  
295 Chipeta Way (84108)  
P.O. Box 58900  
Salt Lake City, Utah 84158-0900

Telephone: (801) 584-6324  
Facsimile: (801) 584-7919

TF0301 060001P126Sixth Revised Sheet No. 1  
TF04 Fifth Revised Sheet No. 1  
TF05Larry E. Larsen, Vice President  
TF06011802 021802  
TF07

RATE SCHEDULES

Table of Contents

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TI-1 Interruptible Transportation	30
SGS-2F Storage Gas Service - Firm	50
SGS-2I Storage Gas Service - Interruptible	60
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LS-2F Liquefaction-Storage Gas Service - Firm	80
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Original Volume No. 2:

An index of special rate schedules consisting of individual service agreements between Northwest and various Shippers is included in Northwest's FERC Gas Tariff, Original Volume No. 2.

TF0302            000002P126Original Sheet No. 2  
TF04  
TF05Laren M. Gertsch, Director  
TF06101893        0                            110193

PRELIMINARY STATEMENT RELATED  
TO FERC GAS TARIFF, THIRD REVISED VOLUME NO. 1  
CONTAINING TRANSPORTATION AND STORAGE RATE SCHEDULES

Northwest Pipeline Corporation ("Northwest" or "Transporter") is a "natural gas company" as defined by the Natural Gas Act and "an interstate pipeline" as defined by the Natural Gas Policy Act of 1978. As such, Northwest is subject to the jurisdiction of the Federal Energy Regulatory Commission. Northwest is engaged in the transportation (the term transportation, as defined herein, includes storage service), in interstate commerce, of natural gas for Shippers, pursuant to the regulations of the Federal Energy Regulatory Commission.

The major facilities of Northwest are depicted on the map constituting Sheet No. 4 of this Tariff. Northwest's pipeline system extends from a point near Blanco, New Mexico, through the states of Colorado, Utah, Wyoming, Idaho, Oregon and Washington to a point on the International Boundary near Sumas, Washington.

This Tariff contains transportation and storage rate schedules available for Shippers with whom Northwest contracts through executed Service Agreements for the transportation and storage of natural gas. It is the policy of Northwest to undertake the transportation and storage of gas only pursuant to written contracts with eligible customers upon the terms and conditions set forth in this Tariff, executed on a non-discriminatory basis after consideration of Northwest's existing commitments, delivery capacity, points of delivery and other relevant factors.

This FERC Gas Tariff is filed in compliance with Part 154, Subchapter E, Chapter I, Title 18 of the Code of Federal Regulations, as promulgated by Order of the Federal Power Commission in Docket No. R-107, dated October 30, 1948.

TF0303            000010P126Sheet No. 3  
TF04  
TF05Laren M. Gertsch, Director  
TF06101893       0                            110193

RESERVED FOR FUTURE USE

TF0304            10009P126First Revised Sheet No. 4  
TF04                Original Sheet No. 4  
TF05Larry E. Larsen, Vice President  
TF06101097092597RP97-315            060197  
TF078061361

System Map

TF0305 0220003P158Twenty-Second Revised Sheet No. 5  
TF04 Twenty-First Revised Sheet No. 5  
TF05Larry Larsen, Vice President  
TF06112901 010102  
TF07

STATEMENT OF RATES

Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-1

(Dollars per Dth)

Rate Schedule and Type of Rate	Base Tariff Rate		GRI(1)	ACA(2)	Currently Effective Tariff Rate(3)	
	Minimum	Maximum			Minimum	Maximum
Rate Schedule TF-1 (4)(5)						
Reservation (Large Customer)						
High Load Factor	.00000	.27760	.00217	-	.00000	.27977
Low Load Factor	.00000	.27760	.00134	-	.00000	.27894
Volumetric (Large Customer)	.01225	.03000	.00550	.00210	.01435	.03760
(Small Customer) (6)	.01225	.58521	.00880	.00210	.01435	.59611
Scheduled Overrun	.01225	.30760	.00550	.00210	.01435	.31520
Rate Schedule TF-2 (4)(5)						
Reservation	.00000	.27760	-	-	.00000	.27760
Volumetric	.01225	.03000	-	-	.01225	.03000
Scheduled Daily Overrun	.01225	.30760	-	-	.01225	.30760
Annual Overrun	.01225	.30760	-	-	.01225	.30760
Rate Schedule TI-1						
Volumetric (7)	.01225	.30760	.00550	.00210	.01435	.31520
Scheduled Overrun	.01225	.30760	.00550	.00210	.01435	.31520

TF0305-A 0160003P158Sixteenth Revised Sheet No. 5-A  
TF04 Fifteenth Revised Sheet No. 5-A  
TF05Larry Larsen, Vice President  
TF06120100 010101  
TF07

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-1 (Continued)

(Dollars per Dth)

Unauthorized Overrun and Underrun (8)	Rate
Unauthorized Daily Overrun	
At least the Threshold Percentage; but less than the Threshold Percentage plus 2%	5.00000
The Threshold Percentage plus 2% or more	10.00000
Unauthorized Daily Underrun	
At least 5%; but less than 10%	5.00000
10% or more	10.00000
Unauthorized Underrun Imbalances not eliminated after 72 hours	10.00000

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Footnotes

(1) Section 13 of the General Terms and Conditions describes the basis and applicability of the GRI Adjustment surcharges.

(2) Section 16 of the General Terms and Conditions describes the basis and applicability of the ACA surcharge.

TF0305-B 0020003P158Second Revised Sheet No. 5-B  
TF04 First Revised Sheet No. 5-B  
TF05Larry Larsen, Vice President  
TF06120100 010101  
TF07

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-1 (Continued)

(Dollars per Dth)

Footnotes (Continued)

- (3) The currently effective tariff rate is the sum of the base tariff rate and the applicable surcharges. To the extent Transporter discounts the maximum currently effective tariff rate, such discounts will be applied on a non-discriminatory basis, subject to the policies of Order No. 497.

Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.

A "Facility Cost-of-Service Charge," as defined in Section 21 of the General Terms and Conditions, is payable in addition to all other rates and charges if such a charge is included in Exhibit C to a Shppper's Transportation Service Agreement.

In addition to the reservation rates and surcharges shown on Sheet No. 5, Shippers who contract for Columbia Gorge Expansion Project capacity are subject to a Facilities Reservation Surcharge pursuant to Section 3.4 of Rate Schedule TF-1. The Facilities Charge used in deriving the Columbia Gorge Expansion Project Facilities Reservation Surcharge has a minimum rate of \$0 and a maximum rate as follows (rates become effective November 1 of the year prior to the stated year and continue through October 31 of the stated year, except the Facilities Charge effective November 1, 2023 continues through March 31, 2025):

Year	Rate	Year	Rate	Year	Rate
2000	\$0.23127	2008	\$0.17068	2016	\$0.11600
2001	\$0.22533	2009	\$0.16411	2017	\$0.11221
2002	\$0.21642	2010	\$0.15706	2018	\$0.10823
2003	\$0.20800	2011	\$0.15002	2019	\$0.10425
2004	\$0.19948	2012	\$0.14259	2020	\$0.09999
2005	\$0.19245	2013	\$0.13593	2021	\$0.09628
2006	\$0.18523	2014	\$0.12889	2022	\$0.09230
2007	\$0.17819	2015	\$0.12185	2023	\$0.08832
				2024	\$0.08411

TF0305-C 0000003P158Original Sheet No. 5-C  
TF04  
TF05Larry Larsen, Vice President  
TF06120100 010101  
TF07

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-1 (Continued)

(Dollars per Dth)

Footnotes (Continued)

(4) All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Rate Schedules TF-1 (Large Customer) and TF-2 maximum base tariff reservation rates are comprised of \$0.27193 for transmission costs and \$0.00567 for storage costs, and maximum base tariff volumetric rates are comprised of \$0.02966 for transmission costs and \$0.00034 for storage costs.

(5) Rates for Rate Schedules TF-1 and TF-2 are also applicable to capacity release service. (Section 22 of the General Terms and Conditions describes how bids for capacity release will be evaluated.) The reservation rate is the comparable volumetric bid reservation charge applicable to Replacement Shippers bidding for capacity released on a one-part volumetric bid basis. For the period from March 27, 2000 through September 30, 2002, the maximum reservation rates do not apply to capacity release transactions of less than one (1) year.

(6) Rate Schedule TF-1 (Small Customer) one-part volumetric rate is based upon a 50% load factor, and the maximum base tariff rate is comprised of \$0.57353 for transmission costs and \$0.01168 for storage costs. Transporter will not transport gas for delivery for Small Customers subject to this Rate Schedule TF-1 under any interruptible Service Agreement or under any capacity release Service Agreement unless such Small Customer has exhausted its daily levels of firm service entitlement for that day.

(7) Rate Schedule TI-1 maximum base tariff volumetric rate is comprised of \$0.30159 for transmission costs and \$0.00601 for storage costs.

(8) Applicable to Rate Schedules TF-1, TF-2 and TI-1 pursuant to Section 15.5 of the General Terms and Conditions.

TF036 080003P126Sub Eighth Revised Sheet No. 6  
TF04 Seventh Revised Sheet No. 6  
TF05 Larry Larsen, Vice President  
TF06012302010202RP02-116-000 010102  
TF079861002

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedule DEX-1

(Dollars per Dth)

Rate(3) Type of Rate	Base Tariff Rate		GRI(1)	ACA(2)	Currently Effective Tariff	
	Minimum	Maximum			Minimum	Maximum
Deferred Exchange	0.0000	.30760	.00550	.00210	.00210	.31520

Footnotes

- (1) Section 13 of the General Terms and Conditions describes the basis and applicability of the GRI Adjustment surcharges.
- (2) Section 16 of the General Terms and Conditions describes the basis and applicability of the ACA surcharge.
- (3) The currently effective tariff rate is the sum of the base tariff rate and the applicable surcharges. To the extent Transporter discounts the maximum currently effective tariff rate, such discounts will be applied on a non-discriminatory basis, subject to the policies of Order No. 497.

Shippers receiving service under this rate schedule are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14, except as provided in Section 4 of Rate Schedule DEX-1.

**PENDING COMMISSION ACCEPTANCE**

TF0307 110003P128 Eleventh Revised Sheet No. 7  
TF04 Tenth Revised Sheet No. 7  
TF05 Larry Larsen, Vice President  
TF06 120100 010101  
TF07

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules SGS-2F and SGS-2I

(Dollars per Dth)

Rate Schedule and Type of Rate	Currently Effective Tariff Rate (1)	
	Minimum	Maximum
Rate Schedule SGS-2F (2)		
Demand Charge	0.00000	0.01689
Capacity Demand Charge	0.00000	0.00062
Volumetric Bid Rates		
Withdrawal Charge	0.00000	0.01689
Storage Charge	0.00000	0.00062
Rate Schedule SGS-2I		
Volumetric	0.00000	0.00134

Footnotes

- (1) Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

Rates are also applicable to capacity release service. (Section 22 of the General Terms and Conditions describes how bids for capacity release will be evaluated.) The Withdrawal Charge and Storage Charge are applicable to Replacement Shippers bidding for capacity released on a one-part volumetric bid basis. For the period from March 27, 2000 through September 30, 2002, the maximum rates do not apply to capacity release transactions of less than one (1) year.

TF0308 0140003P126 Fourteenth Revised Sheet No. 8  
TF04 Thirteenth Revised Sheet No. 8  
TF05 Larry Larsen, Vice President  
TF06 120100 010101  
TF07

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedule LS-1

(Dollars per Dth)

<u>Type of Rate</u>	<u>Currently Effective Tariff Rate (1)</u>
Demand Charge (2)	0.02600
Capacity Charge (2)	0.00332
Liquefaction	0.55685
Vaporization	0.03030

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Footnotes

- (1) Shippers receiving service under this rate schedule are required to furnish fuel reimbursement in-kind at the rate specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

TF038.1 110003P128 Eleventh Revised Sheet No. 8.1  
TF04 Sub Tenth Revised Sheet No. 8.1  
TF05 Larry Larsen, Vice President  
TF06 120100 010101  
TF07

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules LS-2F and LS-2I

(Dollars per Dth)

Rate Schedule and Type of Rate	Currently Effective Tariff Rate (1)	
	Minimum	Maximum
<hr/>		
Rate Schedule LS-2F (3)		
Demand Charge (2)	0.00000	0.02600
Capacity Demand Charge (2)	0.00000	0.00332
Volumetric Bid Rates		
Vaporization Demand-Related Charge (2)	0.00000	0.02600
Storage Capacity Charge (2)	0.00000	0.00332
Liquefaction	0.55685	0.55685
Vaporization	0.03030	0.03030
Rate Schedule LS-2I		
Volumetric	0.00161	0.00826

Footnotes

- (1) Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.
- (3) Rates are also applicable to capacity release service. (Section 22 of the General Terms and Conditions describes how bids for capacity release will be evaluated.) The Vaporization Demand-Related Charge and Storage Capacity Charge are applicable to Replacement Shippers bidding for capacity released on a one-part volumetric bid basis. For the period from March 27, 2000 through September 30, 2002, the maximum rates do not apply to capacity release transactions of less than one (1) year.

TF0309 020003P126Second Revised Sheet No. 9  
TF04 First Revised Sheet No. 9  
TF05Larry Larsen, Vice President  
TF06040300021100RP93-5-034 060100  
TF079061146

DOCKET NOS. RP93-5 AND RP93-96 SURCHARGE COLLECTION PLAN

On April 3, 2000, Transporter filed tariff sheets with the Commission reflecting revised rates in Docket Nos. RP93-5 and RP93-96 applicable to the period from April 1, 1993, to October 31, 1994. The filing reflects additional amounts, including applicable interest, owed by Shippers to Transporter. The filing outlined the following surcharge collection plan.

- Option 1. Payment to Transporter in a lump sum (Lump Sum Option).
- Option 2. Offset of Docket No. RP95-409 general rate case refund due Shipper, if any, with amounts owed Transporter in Docket Nos. RP93-5 and RP93-96 (Offset Option). This Offset Option is only available to parties who were Shippers during the Docket No. RP95-409 effective period (February 1, 1996 through February 28, 1997).
- Option 3. Payment to Transporter over a period of time, which will extend no longer than one year from the first payment due date (Time Payment Option). The Time Payment Option is available only to Shippers maintaining a currently effective Service Agreement at the effective date of the surcharge.

Upon the Commission's acceptance of Transporter's surcharge collection plan, Transporter will request Shippers to elect one of the above surcharge collection options. Within 45 days of Commission authorization (Transporter has requested Commission authorization prior to July 1, 2000), Transporter will send invoices to Shippers electing Option 1 or Option 3. Any Shipper failing to make an election will be deemed to have elected Option 1.

Any Shipper electing Option 2 will not be billed at the time of the initial billing to Shippers electing Option 1 or Option 3. At the point Transporter becomes obligated to make Docket No. RP95-409 refunds (Refund Obligation Date), the amount owing in Docket Nos. RP93-5 and RP93-96, inclusive of interest accrued up to the Refund Obligation Date, will be offset with the Docket No. RP95-409 refund. Any balance still owed Transporter in Docket Nos. RP93-5 and RP93-96, after the offset, will be billed immediately following the offset. This amount, along with accrued interest on any unpaid balance, will be due within 30 days after the offset. Any remaining amount due the Shipper after the offset, along with accrued interest, will be refunded to the Shipper in the ordinary course of the Docket No. RP95-409 refund. Interest will be computed through any and all payment due dates or offset date in accordance with Section 154.501(d) of the Commission's regulations. Thirty days after the last payment is due under the surcharge collection options described above, Transporter will file a final surcharge report with the Commission detailing by Shipper the payments received by Transporter and any amounts offset against refunds due in Docket No. RP95-409.

**EXHIBIT NOS. 4-13**

**CASE NO. INT-G-02-**

**INTERMOUNTAIN GAS COMPANY**

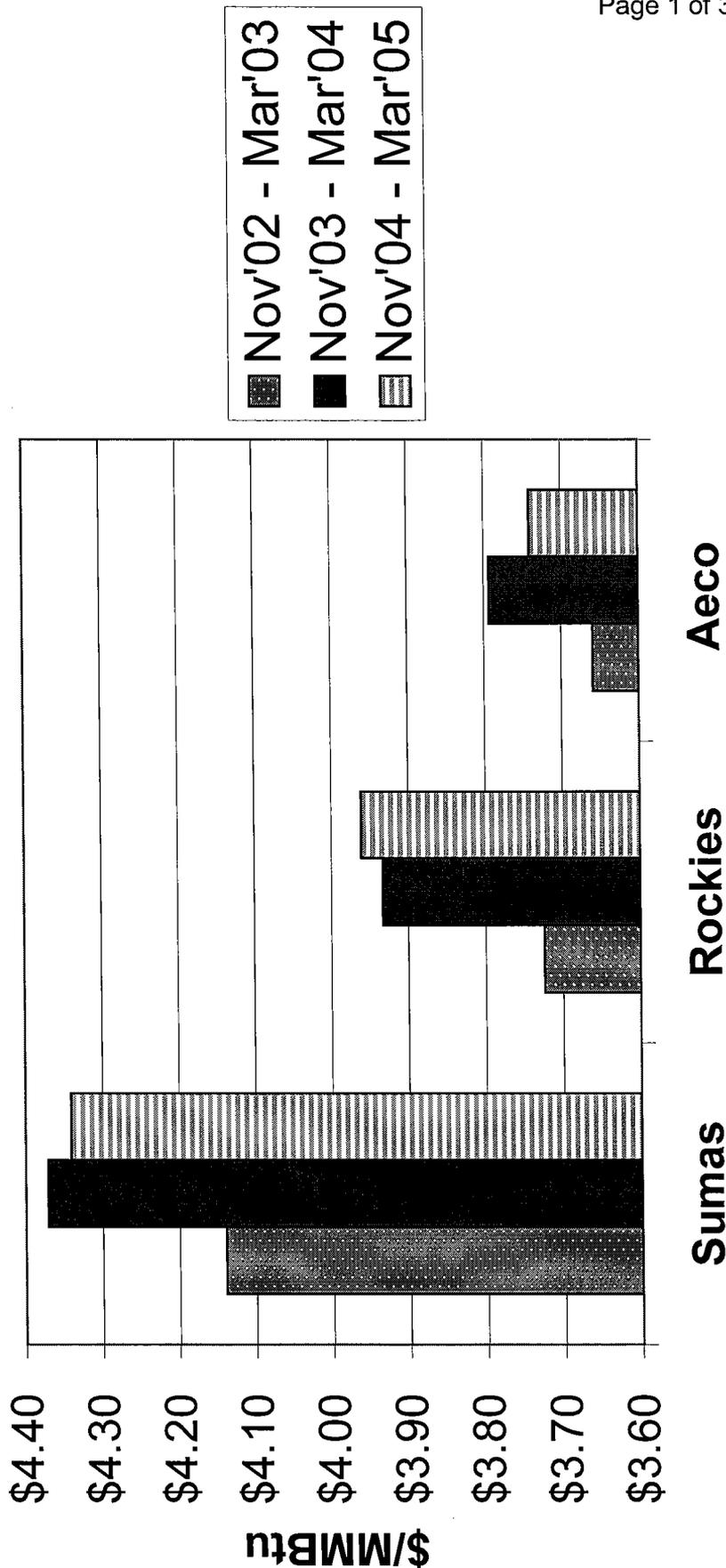
**(12 pages)**

**INTERMOUNTAIN GAS COMPANY**  
**Summary of Gas Cost Changes**

Line No.	Description (a)	Cost of Service Allocation of Gas Cost Adjustment (6)										Annual Difference (h)	Total Annual Cost (g)	T-2 Commodity (i)		
		Annual Thermo (b)	7/16/2001 Prices (c)	Total Annual Cost (d)	Annual Thermo (e)	7/11/2002 Prices (f)	INT-G-02- (g)	RS-1 (i)	RS-2 (j)	GS-1 (k)	T-1 (l)				T-2 Demand (m)	
1	<b>DEMAND CHARGES:</b>															
2	Transportation:															
3	NWP TF-1 Demand 1 (Full Rate)	534,630,100 (1)	\$ 0.02862 (1)	\$ 15,301,113	534,630,100 (1)	\$ 0.02862 (1)	\$ 15,301,113									
4	NWP TF-1 Demand 1 (Discounted)															
5	Upstream Capacity															
6	Storage:															
7	SGS-1	110,730,050 (1)	0.01689 (1)	187,023	110,730,050 (1)	0.01689 (1)	187,023									
8	Demand	3,986,161,350 (1)	0.00006 (1)	247,142	3,986,161,350 (1)	0.00006 (1)	247,142									
9	Capacity Demand	10,920,990 (1)	0.02776 (1)	303,167	10,920,990 (1)	0.02776 (1)	303,167									
10	TF-2 Reservation	10,920,990 (1)	0.00300 (1)	32,763	10,920,990 (1)	0.00300 (1)	32,763									
11	TF-2 Redelivery Charge	262,800,000 (1)	0.00260 (1)	683,280	262,800,000 (1)	0.00260 (1)	683,280									
12	LS-1	2,812,398,000 (1)	0.00033 (1)	928,091	2,812,398,000 (1)	0.00033 (1)	928,091									
13	Demand	7,705,200 (1)	0.05569 (1)	429,103	7,705,200 (1)	0.05569 (1)	429,103									
14	Capacity	7,705,200 (1)	0.00303 (1)	23,347	7,705,200 (1)	0.00303 (1)	23,347									
15	Liquefaction	7,705,150 (1)	0.02776 (1)	213,895	7,705,150 (1)	0.02776 (1)	213,895									
16	Vaporization	7,705,200 (1)	0.00300 (1)	23,116	7,705,200 (1)	0.00300 (1)	23,116									
17	TF-2 Reservation															
18	TF-2 Redelivery Charge															
19	Other Peaking Facilities															
20	Social Cycling Costs															
21	<b>COMMODITY CHARGES:</b>															
22	Transportation:															
23	T-1 Industrial Transportation	40,106,540	0.00410	164,437	40,106,540	0.00410	164,437									
24	T-2 Industrial Transportation	24,252,203	0.00410	99,434	24,252,203	0.00410	99,434									
25	Storage:															
26	LNG	6,000,000	0.35295	2,117,700	6,000,000	0.35295	2,117,700									
27	LNG	7,705,200	0.35295	2,719,550	7,705,200	0.35295	2,719,550									
28	SGS	10,920,990	0.35295	3,854,563	10,920,990	0.35295	3,854,563									
29	Producer/Supplier Purchases:	226,631,781	0.35295	80,060,277	226,631,781	0.35295	80,060,277									
30	TOTAL RS-1, RS-2, and GS-1 SALES VOLUMES	251,457,971			251,457,971											
31	Normalized Sales/CD Vols. (101/100 - 9330/1)															
32	Average Base Rate Change															
33	Other Permanent Changes Proposed:															
34	Elimination of Temporary Price Reduction/(Surcharge) from Case No. INT-G-01-3															
35	Adjustment to Fixed Cost Collection Rate (see Exhibit 6, Line 25)															
36	Total Permanent Changes Proposed (Lines 32 through 35):															
37	Temporary Surcharge (Credit) Proposed (Exhibit No. 7, Line 6, Cols (b)-(f))															
38	Proposed Average Per Therm/CD Change in Intermountain Gas Company Tariff															

(1) Represents Non-Additive Demand Charge Determinants  
(2) See Worksheet No. 1, Line 11, Column (d)  
(3) See Worksheet No. 2, Line 9, Column (d)  
(4) See Worksheet No. 3, Line 29, Column (d)  
(5) See Worksheet No. 4, Line 5, Column (d)  
(6) See Worksheet No. 5, Line 10

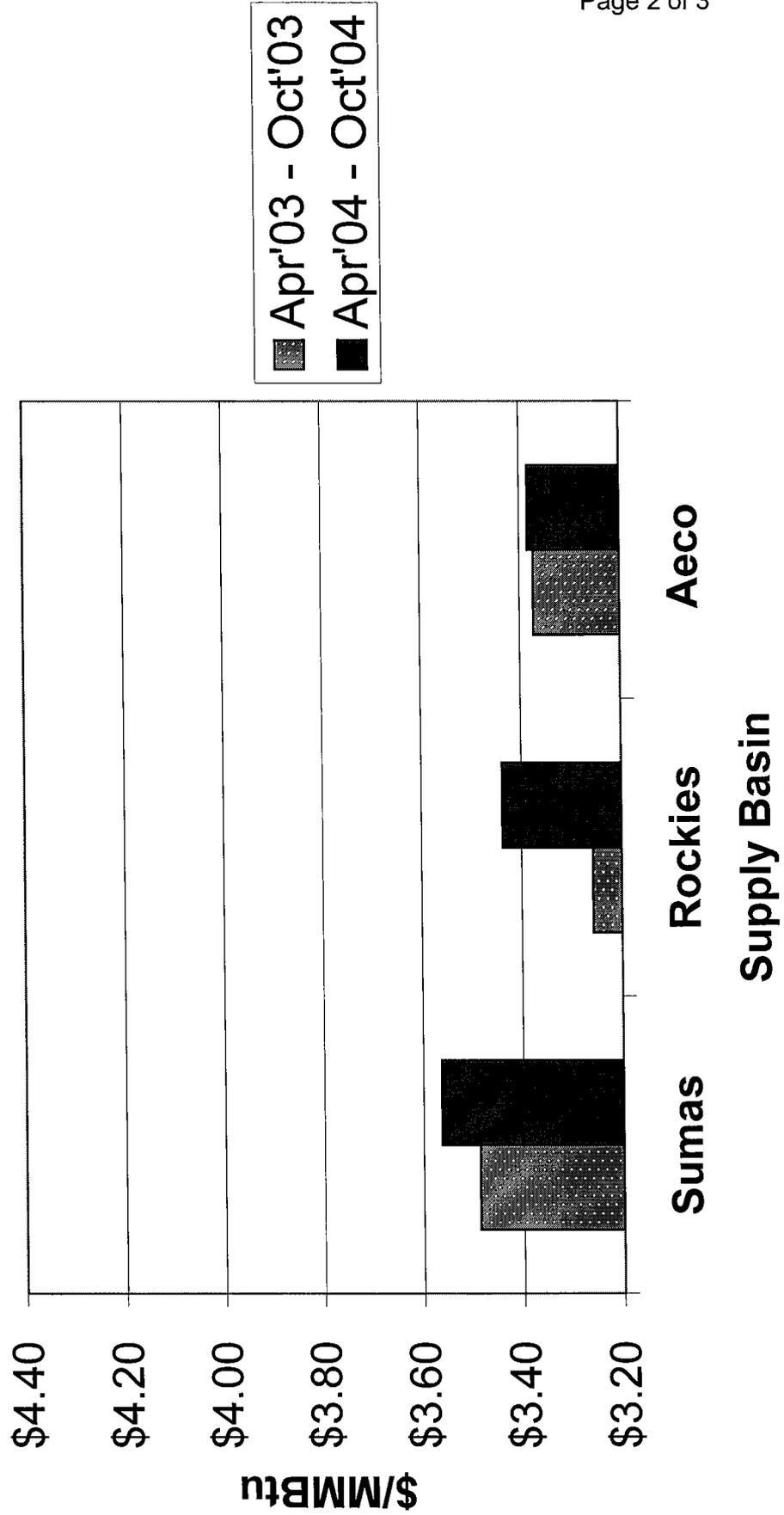
**INTERMOUNTAIN GAS COMPANY**  
**November - March Futures Price Strips**  
**As of May 20, 2002**



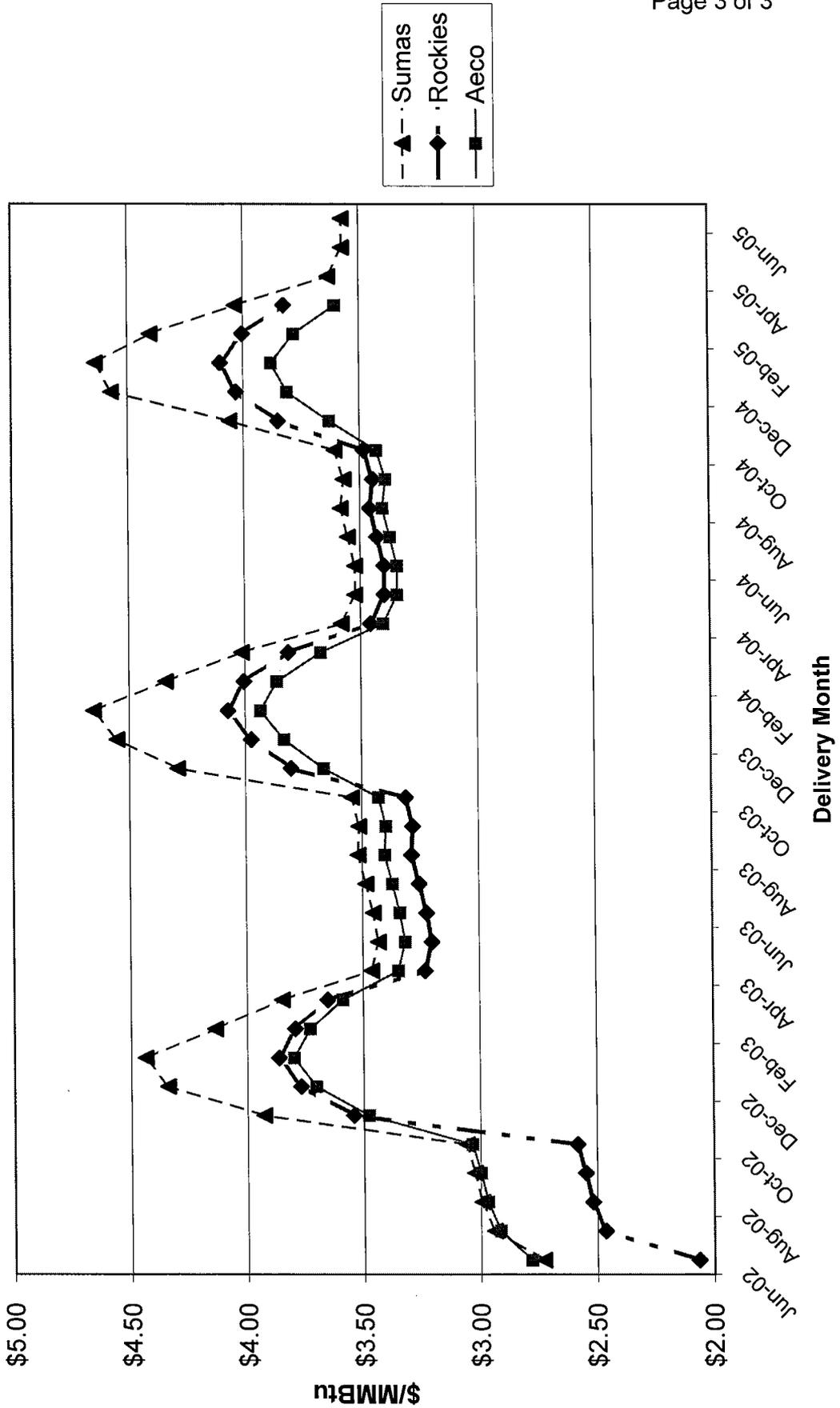
**Supply Basin**

**\$/MMBtu**

**INTERMOUNTAIN GAS COMPANY**  
**April - October Futures Price Strips**  
**As of May 20, 2002**



**INTERMOUNTAIN GAS COMPANY**  
**Analysis of Natural Gas Futures Prices As of May 20, 2002**



**INTERMOUNTAIN GAS COMPANY**  
**Summary of Fixed Gas Cost Charges**

**Cost of Service Allocation of Gas Cost Adjustment <sup>(1)</sup>**

Line No.	Description	Annual Therms (b)	Prices INT-G-01-3 (c)	Annual Cost (d)	RS-1 (e)	RS-2 (f)	GS-1 (g)	T-1 (h)	T-2 (i)
1	<b>DEMAND CHARGES:</b>								
2	<b>Transportation:</b>								
3	NWP TF-1 Demand 1 (Full Rate)	534,630,100	\$ 0.02862	\$ 15,301,113	\$ 2,066,714	\$ 6,826,980	\$ 5,060,003	\$ 1,080,968	\$ 266,468
4	NWP TF-1 Demand 1 (Discounted)	145,924,400	0.01934	2,821,653	381,119	1,268,952	933,107	199,338	49,137
5	Upstream Capacity	527,712,770	0.01060	5,594,887	755,699	2,496,300	1,850,202	395,255	97,431
6	<b>Storage:</b>								
7	SGS-1								
8	Demand	110,730,050	0.01689	1,870,233	25,261	83,445	61,848	13,212	3,257
9	Capacity Demand	3,986,161,350	0.00006	247,142	33,381	110,268	81,729	17,460	4,304
10	TF-2 Reservation	10,920,990	0.02776	303,167	40,949	135,266	100,256	21,417	5,279
11	TF-2 Redelivery Charge	10,920,990	0.00300	32,763	4,640	16,088	12,055	-	-
12	LS-1								
13	Demand	262,800,000	0.00260	683,280	92,290	304,863	225,957	48,271	11,899
14	Capacity	2,812,398,000	0.00033	928,091	125,357	414,091	306,915	65,566	16,162
15	Liquefaction	7,705,200	0.05569	429,103	57,959	191,455	141,902	30,314	7,473
16	Vaporization	7,705,200	0.00303	23,347	3,153	10,417	7,721	1,649	407
17	TF-2 Reservation	7,705,150	0.02776	213,895	28,891	95,434	70,734	15,111	3,725
18	TF-2 Redelivery Charge	7,705,200	0.00300	23,116	3,274	11,337	8,505	-	-
19	Other Peaking Facilities			4,214,742	569,283	1,880,514	1,393,795	297,753	73,397
20	Social Cycling Costs	4,500,000	0.01591	71,595	9,670	31,944	23,676	5,058	1,247
21	<b>Total Fixed Gas Cost Charges</b>			\$ 31,074,917	\$ 4,197,640	\$ 13,867,334	\$ 10,278,405	\$ 2,191,362	\$ 540,176
22	Normalized Sales/CD Vols. (FY02 Estimated Volumes)				36,560,418	134,613,969	97,254,669	39,302,757	680,840
23	Fixed Cost Collection per Therm (Row 21/ Row 22)				\$ 0.11481	\$ 0.10302	\$ 0.10569	\$ 0.05576	\$ 0.81741
24	Current Fixed Cost Collection per Therm				\$ 0.11586	\$ 0.10463	\$ 0.10713	\$ 0.05813	\$ 0.83763
25	Difference (Row 23 - Row 24)				\$ (0.00105)	\$ (0.00161)	\$ (0.00144)	\$ (0.00237)	\$ (0.02022)

(1) See Workpaper No. 5, Line 10

**INTERMOUNTAIN GAS COMPANY**  
**Summary of Proposed Temporary Surcharges (Credits)**

Line No.	Description (a)	COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS					
		RS-1 (b)	RS-2 (c)	GS-1 (d)	T-1 (e)	T-2 (f)	
1	Market Segmentation <sup>(1)</sup>	\$ (0.00899)	\$ (0.00857)	\$ (0.00847)	\$ (0.00417)	\$ (0.05921)	
2	Northwest Pipeline Refund Docket No. RP95-409 <sup>(2)</sup>	(0.01555)	(0.00637)	(0.01130)	-	-	
3	Northwest Pipeline Surcharge Docket No. RP93-5 <sup>(3)</sup>	0.00445	0.00316	0.00375	-	-	
4	Proposed Temporary Surcharge (Credit)-Fixed Costs <sup>(4)</sup>	0.00567	(0.00188)	0.00198	(0.00029)	(0.03706)	
5	Proposed Temporary Surcharge (Credit)-Account 186 Variable <sup>(5)</sup>	<u>(0.02473)</u>	<u>(0.02473)</u>	<u>(0.02473)</u>	<u>-</u>	<u>-</u>	
6	<b>Total Proposed Temporary Surcharge (Credit)</b>	<u>\$ (0.03915)</u>	<u>\$ (0.03839)</u>	<u>\$ (0.03877)</u>	<u>\$ (0.00446)</u>	<u>\$ (0.09627)</u>	

- (1) See Exhibit No. 8, Line 3, Cols. (c) - (g)
- (2) See Exhibit No. 9, Line 3, Cols. (c) - (g)
- (3) See Exhibit No. 10, Line 3, Col. (c) - (g)
- (4) See Exhibit No. 11, Line 13, Col. (c) - (g)
- (5) See Exhibit No. 12, Line 8, Col. (b)

**INTERMOUNTAIN GAS COMPANY**  
Allocation of Annualized Segmentation Credits

Line No.	Description (a)	COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS (1)						
		Total (b)	RS-1 (c)	RS-2 (d)	GS-1 (e)	T-1 (f)	T-2 (g)	
1	Segmentation Credits	\$ (2,369,508)	\$ (320,048)	\$ (1,057,216)	\$ (789,585)	\$ (167,396)	\$ (41,263)	
2	Normalized Sales/CD Vols. (10/1/00 - 9/30/01)		35,616,034	123,320,074	92,521,863	40,106,540	696,840	
3	Proposed Price Adjustment Per Therm/CD		\$ (0.00899)	\$ (0.00857)	\$ (0.00847)	\$ (0.00417)	\$ (0.05921)	

(1) See Workpaper No. 5, Line 10

**INTERMOUNTAIN GAS COMPANY**  
**Allocation of Northwest Pipeline Refund Docket No. RP95-409**

Line No.	Description (a)	COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS <sup>(1)</sup>					
		Total (b)	RS-1 (c)	RS-2 (d)	GS-1 (e)	T-1 (f)	T-2 (g)
1	Northwest Pipeline Refund Docket No. RP95-409	\$ (2,385,551)	\$ (553,996)	\$ (785,849)	\$ (1,045,706)	\$ - <sup>(2)</sup>	\$ - <sup>(2)</sup>
2	Normalized Sales/CD Vols. (10/1/00 - 9/30/01)	35,616,034	123,320,074	92,521,863	40,106,540	696,840	
3	Proposed Price Adjustment Per Therm/CD	\$ (0,015,555)	\$ (0,006,337)	\$ (0,011,330)	\$ -	\$ -	\$ -

(1) See Workpaper No. 5, Line 10

(2) Refund amount applied to LV-1, T-1, T-2, T-3, and T-4 customer bills

**INTERMOUNTAIN GAS COMPANY**  
**Northwest Pipeline Surcharge Docket No. RP93-5**

COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS <sup>(1)</sup>									
Line No.	Description (a)	Total (b)	RS-1 (c)	RS-2 (d)	GS-1 (e)	T-1 (f)	T-2 (g)		
1	Northwest Pipeline Surcharge Docket No. RP93-5	\$ 895,202	\$ 158,525	\$ 389,392	\$ 347,285	\$ -	\$ -	\$ -	\$ -
2	Normalized Sales/CD Vols. (10/1/00 - 9/30/01)		35,616,034	123,320,074	92,521,863	40,106,540			696,840
3	Proposed Price Adjustment Per Therm/CD		\$ 0.00445	\$ 0.00316	\$ 0.00375	\$ -			\$ -

(1) See Workpaper No. 5, Line 10

(2) Surcharge amount applied to LV-1, T-1, T-2, T-3, and T-4 customer bills

**INTERMOUNTAIN GAS COMPANY**  
**Proposed Temporary Surcharges (Credits) - Fixed Costs**

Line No.	Description (a)	COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS <sup>(1)</sup>					
		Deferred Account 1860 Estimated June 30, 2002 Balance (b)	RS-1 (c)	RS-2 (d)	GS-1 (e)	T-1 (f)	T-2 (g)
1	<b>Fixed Costs:</b>						
2	From INT-G-01-3 (Accts 1860.2050 - 2090)	\$ 31,961	\$ 26,290	\$ (4,234)	\$ (4,064)	\$ 9,886	\$ 4,083
3	Fixed Cost Collection Adjustment (Acct. 1860.2200)	528,841	265,785	(69,527)	343,975	9,037	(20,429)
4	Exit Fee (Acct. 1860.2210)	(10,587)	(1,430)	(4,724)	(3,501)	(748)	(184)
5	Statoil Revenue Deferral (Acct. 1860.2260)	(55,632)	(7,514)	(24,822)	(18,397)	(3,930)	(969)
6	Capacity Release & Purchases (Acct 1860.2320)	(401,828)	(54,275)	(179,285)	(132,883)	(28,387)	(6,998)
7	Interest (Accts 1860.2420, 2430)	28,981	3,914	12,931	9,584	2,047	505
8	Expansion II Refund (Acct 1860.2120 - 1860.2140)	(1,096)	(636)	(814)	(152)	379	127
9	Market Segmentation (Acct 1860.2530)	(2,367,434)	(328,522)	(1,020,619)	(787,769)	(185,745)	(44,779)
10	Amortization of 1860.2530 (Acct 1860.2540 - 1860.2550)	2,362,867	298,292	1,059,840	776,091	185,827	42,817
11	<b>Totals</b>	<u>\$ 116,073</u>	<u>\$ 201,904</u>	<u>\$ (231,254)</u>	<u>\$ 182,884</u>	<u>\$ (11,634)</u>	<u>\$ (25,827)</u>
12	<b>Normalized Sales/CD Vols. (10/1/00 - 9/30/01)</b>		<u>35,616,034</u>	<u>123,320,074</u>	<u>92,521,863</u>	<u>40,106,540</u>	<u>696,840</u>
13	<b>Proposed Temporary Surcharge (Credit)-Fixed Costs</b>		<u>\$ 0.00567</u>	<u>\$ (0.00188)</u>	<u>\$ 0.00198</u>	<u>\$ (0.00029)</u>	<u>\$ (0.03706)</u>

(1) See Workpaper No. 5, Line 10

**INTERMOUNTAIN GAS COMPANY**  
**Proposed Temporary Surcharges (Credits) - Variable Costs**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>
	<b>(a)</b>	<b>(b)</b>
1	<b>Account 1860 Amounts Which Apply to RS-1, RS-2, GS-1, and LV-1:</b>	
2	Account 1860 Variable Costs	\$ 470,959
3	Normalized Sales/CD Vols. (10/1/00 - 9/30/01)	254,583,811
4	Proposed Temporary Surcharge (Credit)	\$ 0.00185
5	Variable Gas Costs	\$ (6,766,014)
6	Normalized Sales/CD Vols. (10/1/00 - 9/30/01)	254,583,811
7	Proposed Temporary Surcharge (Credit)	\$ (0.02658)
8	<b>Proposed Temporary Surcharge(Credit) - Variable Costs</b>	\$ (0.02473)

**INTERMOUNTAIN GAS COMPANY**

**Analysis of Annualized Price Decrease by Class of Service  
Normalized Volumes for Twelve Months Ended September 30, 2001**

Line No.	Description (a)	Average Prices Effective per Case No. INT-G-01-3 Commission Order No. 28783		Proposed Adjustments Effective 7/1/2002		Proposed Average Prices Effective 7/1/2002		Percent Change (i)	
		Annual Therms/CD Vols. (b)	Revenue (c)	\$/Therm (d)	Revenue (e)	\$/Therm (f)	Revenue (g)		\$/Therm (h)
1	Gas Sales:								
2	RS-1 Residential	35,616,034	\$ 33,964,162	\$ 0.95362	\$ (7,414,546)	\$ (0.20818)	\$ 26,549,616	\$ 0.74544	-21.83%
3	RS-2 Residential	123,320,074	104,642,016	0.84854	(25,310,212)	(0.20524)	79,331,804	0.64330	-24.19%
4	GS-1 General Service	92,521,863	73,950,875	0.79928	(18,892,039)	(0.20419)	55,058,836	0.59509	-25.55%
5	LV-1 Large Volume	3,125,840	2,013,541	0.64416	(631,513)	(0.20203)	1,382,028	0.44213	-31.36%
6	Total Gas Sales	254,583,811	214,570,594	0.84283	(52,248,310)	(0.20523)	162,322,284	0.63760	-24.35%
7	T-1 Transportation	36,980,700	3,910,709	0.10575	(221,884)	(0.00600)	3,688,825	0.09975	-5.67%
8	T-2 Transportation (Demand)	696,840	534,016	0.76634	(49,044)	(0.07038)	484,972	0.69596	-9.18%
9	T-2 Transportation (Commodity)	24,252,203	159,094	0.00656	-	-	159,094	0.00656	0.00%
10	Total T-2	24,252,203	693,110	0.02858	(49,044)	(0.00202)	644,066	0.02656	-7.07%
11	Total	315,816,714	\$ 219,174,413	\$ 0.69399	\$ (52,519,238)	\$ (0.16630)	\$ 166,655,175	\$ 0.52769	-23.96%

(1) Demand volumes removed from the \$/therm calculations

**NEWS RELEASE**

**and**

**CUSTOMER NOTICE**

EXECUTIVE OFFICES

## INTERMOUNTAIN GAS COMPANY

555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX: 377-6097

### NEWS RELEASE

Contact: Mike Huntington  
Vice President  
Marketing & External Affairs  
(208) 377-6059

DATE May 23, 2002

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TODAY, INTERMOUNTAIN GAS COMPANY ("INTERMOUNTAIN") FILED ITS ANNUAL NATURAL GAS PURCHASE COST REVIEW APPLICATION WITH THE IDAHO PUBLIC UTILITIES COMMISSION ("IPUC"). THIS TYPE OF APPLICATION IS FILED EACH YEAR AT THIS TIME TO PROVIDE THE IPUC WITH A REVIEW MECHANISM THAT HELPS INSURE THAT THE NATURAL GAS COSTS THAT INTERMOUNTAIN IS INCURRING ON BEHALF OF ITS CUSTOMERS ARE PROPER AND ARE REFLECTED IN ITS SALES PRICE.

THE APPLICATION REQUESTS THE NECESSARY AUTHORIZATION TO DECREASE PRICES ON AVERAGE BY 24%.

THIS APPLICATION REFLECTS THE LOWER PRICES THAT INTERMOUNTAIN HAS BEEN PAYING SINCE ITS LAST ADJUSTMENT ONE YEAR AGO. THE DECREASE ALSO REFLECTS THE FACT THAT ALL PREVIOUS COSTS DEFERRED DURING THE RECENT PERIOD OF UNUSUALLY HIGH ENERGY PRICES HAVE NOW BEEN RECOVERED.

WILLIAM C. "BILL" GLYNN, PRESIDENT OF INTERMOUNTAIN GAS COMPANY, SAID, "THE FUNDAMENTAL LAW OF SUPPLY AND DEMAND IS WORKING IN THE MARKETPLACE AND HAS PROVIDED THIS OPPORTUNITY TO PASS LOWER NATURAL GAS COSTS ON TO OUR CUSTOMERS. THIS PRICE DECREASE IS WELCOME NEWS COMPARED TO THE HIGH PRICES THAT WE HAVE ALL EXPERIENCED OVER THE PAST TWO YEARS AND WILL PROVIDE OUR CUSTOMERS WITH MORE DISPOSABLE INCOME FOR OTHER GOODS AND SERVICES, FURTHER STRENGTHENING THE STATE AND NATIONAL ECONOMIC RECOVERY".

THE COMPANY IS NOT REQUESTING ANY CHANGE IN THE PRICE COMPONENT FOR ITS OWN SERVICE, OPERATION, MAINTENANCE, OR CAPITAL COSTS, WHICH HAS REMAINED THE SAME FOR NEARLY 20 YEARS. THEREFORE THE COMPANY'S EARNINGS WILL NOT CHANGE AS A RESULT OF THE PROPOSED PRICE DECREASES.

INTERMOUNTAIN CONTINUES TO ENCOURAGE ALL ITS CUSTOMERS TO BE CONSCIOUS OF THEIR ENERGY USAGE AND THE WISE USE OF ENERGY AS WELL. THE COMPANY WILL CONTINUE TO PROVIDE HELPFUL TIPS ON WAYS TO CONSERVE AND USE ENERGY WISELY THROUGH ITS BILL INSERTS AND ON ITS WEB SITE ([www.intgas.com](http://www.intgas.com)).

IF THIS PROPOSED DECREASE IS APPROVED, RESIDENTIAL CUSTOMERS USING NATURAL GAS FOR HEATING AND WATER HEATING COULD EXPERIENCE AN AVERAGE ANNUAL DECREASE OF \$188 (24.2%). THOSE RESIDENTIAL CUSTOMERS USING NATURAL GAS FOR SPACE HEATING ONLY COULD EXPERIENCE AN AVERAGE ANNUAL DECREASE OF \$128 (21.8%). COMMERCIAL CUSTOMERS COULD EXPERIENCE AN AVERAGE ANNUAL DECREASE OF \$795 (25.6%).

IF APPROVED AS FILED, THE TOTAL NET REVENUE DECREASE FROM THIS CURRENT REQUEST WILL BE APPROXIMATELY \$52.5 MILLION (24.0%) AND IS PROPOSED TO BE EFFECTIVE JULY 1, 2002. A COPY OF INTERMOUNTAIN'S APPLICATION IS AVAILABLE FOR PUBLIC REVIEW AT THE COMPANY'S OFFICES AND ON ITS WEB SITE.

## INTERMOUNTAIN GAS COMPANY

555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX: 377-6097

### CUSTOMER NOTICE

Contact: Mike Huntington  
Vice President  
Marketing & External Affairs  
(208) 377-6059

DATE May 23, 2002

---

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**WORKPAPER NOS. 1-7**

**CASE NO. INT-G-02-**

**INTERMOUNTAIN GAS COMPANY**

**(8 pages)**

**Intermountain Gas Company  
Northwest Pipeline TF-1 Discounted Demand Workpaper**

Line No.	<u>Transportation</u> (a)	INT-G-01-3 <u>Annual Therms</u> (b)	INT-G-01-3 <u>Prices</u> (c)	INT-G-01-3 <u>Annual Cost</u> (d)
1	TF-1 Demand 1 Shipper #1	87,600,000	\$ 0.01627	\$ 1,425,252
2	TF-1 Demand 1 Shipper #2	28,470,000	0.01683	479,150
3	TF-1 Demand 1 Shipper #3	29,404,400	0.01375	404,311
4	TF-1 Demand 1 Shipper #4	<u>450,000</u>	1.13987	<u>512,940</u>
5	Total Annual Cost	<u>145,924,400</u>	<u>\$ 0.01934</u>	<u>\$ 2,821,653</u>
	<u>Transportation</u>	INT-G-02- <u>Annual Therms</u>	INT-G-02- <u>Prices</u>	INT-G-02- <u>Annual Cost</u>
6	TF-1 Demand 1 Shipper #1	87,600,000	\$ 0.01623	\$ 1,421,748
7	TF-1 Demand 1 Shipper #2	28,470,000	0.01679	478,011
8	TF-1 Demand 1 Shipper #3	29,404,400	0.01371	403,134
9	TF-1 Demand 1 Shipper #4	<u>150,000</u>	1.13987	<u>170,980</u>
10	Total Annual Cost	<u>145,624,400</u>	<u>\$ 0.01699</u>	<u>\$ 2,473,873</u>
11	Total Annual Cost Difference			<u>\$ (347,780)</u> <sup>(1)</sup>

<sup>(1)</sup> See Exhibit 4, Line 4, Column (h)

**Intermountain Gas Company  
Upstream Capacity Workpaper**

Line No.	<u>Transportation</u> (a)	INT-G-01-3 <u>Annual Therms</u> (b)	INT-G-01-3 <u>Prices</u> (c)	INT-G-01-3 <u>Annual Cost</u> (d)
1	Upstream Capacity #1	206,118,920	\$ 0.01069	\$ 2,203,115
2	Upstream Capacity #2	166,568,630	0.00508	845,991
3	Upstream Capacity #3	<u>155,025,220</u>	0.01642	<u>2,545,781</u>
4	Total Upstream Capacity	<u>527,712,770</u>	<u>0.01060</u>	<u>\$ 5,594,887</u>
	<u>Transportation</u>	INT-G-02- <u>Annual Therms</u>	INT-G-02- <u>Prices</u>	INT-G-02- <u>Annual Cost</u>
5	Upstream Capacity #1	181,258,720	\$ 0.01067	\$ 1,934,483
6	Upstream Capacity #2	138,819,721	0.00466	647,497
7	Upstream Capacity #3	<u>155,025,220</u>	0.01642	<u>2,545,358</u>
8	Total Upstream Capacity	<u>475,103,661</u>	<u>0.01079</u>	<u>\$ 5,127,338</u>
9	Total Annual Cost Difference			<u>\$ (467,549)</u> <sup>(1)</sup>

<sup>(1)</sup> See Exhibit 4, Line 5, Column (h)

**Intermountain Gas Company  
Other Peaking Facilities**

Line No.	Peaking Facilities (a)	INT-G-01-3 Monthly Billing Determinant (b)	INT-G-01-3 Prices (c)	INT-G-01-3 Monthly Cost (d)	INT-G-01-3 Annual Cost (d)
1	<b>Demand Costs -</b>				
2	Clay Basin I Demand	266,250 <sup>(1)</sup>	\$ 0.28534	\$ 75,971	\$ 911,655
3	Clay Basin II Demand	221,880 <sup>(1)</sup>	0.28534	63,311	759,730
4	Clay Basin I Capacity	31,950,000 <sup>(2)</sup>	0.00238	75,977	911,725
5	Clay Basin II Capacity	26,625,000 <sup>(2)</sup>	0.00238	63,314	759,771
6	AECO I Demand	8,530,350 <sup>(2)</sup>	0.00162	13,825	165,900
7	AECO II Demand	26,064,970 <sup>(2)</sup>	0.00107	27,964	335,562
8	Total Demand Costs	93,170,320 <sup>(3)</sup>		<u>320,362</u>	<u>3,844,343</u>
9	<b>Cycling Costs -</b>				
10	Clay Basin Cycling Costs	58,575,000	\$ 0.00089	\$ 52,148	\$ 625,778
11	AECO Cycling Costs	<u>34,595,320</u>	0.00057	<u>19,674</u>	<u>236,084</u>
12	Total Cycling Costs	<u>93,170,320</u>		<u>\$ 71,822</u>	<u>\$ 861,862</u>
13	Storage Credit				<u>\$ (491,463)</u>
14	Total Costs including storage credit				<u>\$ 4,214,742</u>
15	<b>Demand Costs -</b>				
16	Clay Basin I Demand	266,250 <sup>(1)</sup>	\$ 0.28534	\$ 75,971	\$ 911,655
17	Clay Basin II Demand	221,880 <sup>(1)</sup>	0.28534	63,311	759,730
18	Clay Basin I Capacity	31,950,000 <sup>(2)</sup>	0.00238	75,977	911,725
19	Clay Basin II Capacity	26,625,000 <sup>(2)</sup>	0.00238	63,314	759,771
20	AECO I Demand	8,530,350 <sup>(2)</sup>	0.00159	13,576	162,912
21	AECO II Demand	26,064,970 <sup>(2)</sup>	0.00108	28,137	337,644
22	Total Demand Costs	93,170,320 <sup>(3)</sup>		<u>320,286</u>	<u>3,843,437</u>
23	<b>Cycling Costs -</b>				
24	Clay Basin Cycling Costs	58,575,000	\$ 0.00064	\$ 37,526	\$ 450,308
25	AECO Cycling Costs	<u>34,595,320</u>	0.00070	<u>24,107</u>	<u>289,286</u>
26	Total Cycling Costs	<u>93,170,320</u>		<u>\$ 61,633</u>	<u>\$ 739,594</u>
27	Storage Credit				<u>\$ (489,000)</u>
28	Total Costs including storage credit				<u>\$ 4,094,031</u>
29	Total Annual Cost Difference including Storage Credit				<u>\$ (120,711)</u> <sup>(4)</sup>

<sup>(1)</sup> Charge Based on Maximum Daily Withdrawal

<sup>(2)</sup> Charge Based on Maximum Contractual Capacity

<sup>(3)</sup> Non Additive Billing Determinants; Only Includes Capacity Volumes

<sup>(4)</sup> See Exhibit 4, Line 19, Column (h)

**Intermountain Gas Company  
Social Cycling Costs Workpaper**

Line No.	<u>Socal Storage Facilities</u> (a)	INT-G-01-3 <u>Annual Therms</u> (b)	INT-G-01-3 <u>Prices</u> (c)	INT-G-01-3 <u>Annual Cost</u> (d)
1	SoCal Cycling	<u>4,500,000</u>	0.01591	<u>71,595</u>
2	Total Cycling Costs	<u>4,500,000</u>		<u>\$ 71,595</u>
	<u>Other Storage Facilities</u>	INT-G-02- <u>Annual Therms</u>	INT-G-02- <u>Prices</u>	INT-G-02- <u>Annual Cost</u>
3	SoCal Cycling	<u>-</u>	0.00000	<u>-</u>
4	Total Cycling Costs	<u>-</u>		<u>\$ -</u>
5	Total Cycling Cost Difference			<u>\$ (71,595)</u> <sup>(1)</sup>

<sup>(1)</sup> See Exhibit 4, Line 20, Column (h)

**INTERMOUNTAIN GAS COMPANY**  
**Peak Day Analysis for Demand Allocators in Case No. INT-G-02-**

Line No.		CORE			TOTAL CORE	FIRM TRANSPORTATION		TOTAL FIRM TRANSPORTATION	TOTAL PEAK
		RS-1	RS-2	GS-1		T-1	T-2		
1	<b>DEMAND ALLOCATORS PER CASE NO. INT-G-01-3:</b>								
2	Peak Day Therms	428,232	1,330,389	1,026,865	2,785,486	242,120	58,370	300,490	3,085,976
3	% of Total	<u>13.87671%</u>	<u>43.11080%</u>	<u>33.27521%</u>	90.26272%	<u>7.84582%</u>	<u>1.89146%</u>	9.73728%	<u>100.0000%</u>
4	<b>PROPOSED DEMAND ALLOCATORS PER CASE NO. INT-G-02-:</b>								
5	Peak Day Therms (Line 2)	428,232	1,330,389	1,026,865	2,785,486				
6	Customers Embedded within Line 2	60,145	137,579	23,953	221,677				
7	Peak Day Usage Per Customer (Line 5 divided by Line 6)	7.12	9.67	42.87					
8	January 2002 Actual Customers	<u>59,991</u>	<u>145,911</u>	<u>24,394</u>	<u>230,296</u>				
9	INT-G-01- Peak Day Therms (Line 7 multiplied by Line 8)	427,136	1,410,959	1,045,771	2,883,866	223,406	55,070	278,476 (1)	3,162,342
10	% of Total	<u>13.50695%</u>	<u>44.61753%</u>	<u>33.06951%</u>	91.19399%	<u>7.06457%</u>	<u>1.74143%</u>	8.80600%	<u>100.0000%</u>

(1) FY02 Contract Therms

INTERMOUNTAIN GAS COMPANY  
Analysis of Account 1860 Surcharges (Credits)  
Estimated June 30, 2002

Line No.	Description	Detail (b)	Detail (c)	Amount (d)	Sub-Total (e)	Total (f)
1	<b>ACCOUNT 1860 VARIABLE AMOUNTS:</b>					
2						
3	Net Cumulative Deferred Gas Balance in 1860.2010 as of 7/16/01			\$ 42,998,154.19		
4	Amortization in 1860.2020 as of 3/31/02		\$ (34,929,524.33)			
5	Estimated Therm Sales 4/1 through 6/30/02	46,310,726				
6	Amortization Rate	\$ (0.17130)	(7,933,027.36)			
7	Estimated Amortization in 1860.2020 at 6/30/02			(42,862,551.69)		
8	Estimated Balance in 1860.2010 at 6/30/02				\$ 135,602.50	
9						
10	Deferred Gas Costs From Producers/Suppliers in 1860.2180 at 7/16/01			\$ 3,912,373.79		
11	Deferred Gas Costs From Producers/Suppliers in 1860.2180 through 3/31/02			(7,323,562.97)		
12	Estimated Deferred Costs in 1860.2180 from 4/1 through 6/30/02			(3,354,825.02)		
13	Estimated Balance in 1860.2180 at 6/30/02				(6,766,014.20)	
14						
15	Daily Gas Excess Sales Deferred in 1860.2240 at 3/31/02				0.00	
16						
17	Gas Cost Carrying Charge Deferred in 1860.2340 at 3/31/02			\$ 346,244.24		
18	Estimated Gas Cost Carrying Charge from 4/1 through 6/30/02			(10,887.59)		
19	Estimated Balance in 1860.2340 at 6/30/02				335,356.65	
20						
21	<b>ESTIMATED ACCOUNT 1860 VARIABLE BALANCE AT 6/30/02</b>					\$ (6,295,055.05)
22						
23	<b>ACCOUNT 1860 FIXED AMOUNTS:</b>					
24						
25	Net Cumulative Deferred Gas Balance in 1860.2050 at 7/16/01			\$ (191,946.37)		
26						
27	RS-1 Deferred Gas Balance in 1860.2060 at 7/16/01		\$ 28,654.61			
28	Amortization for RS-1 in 1860.2060 at 3/31/02		(58,325.75)			
29	Estimated RS-1 Therm Sales 4/1 through 6/30/02	5,797,051				
30	RS-1 Amortization Rate	\$ (0.00180)	(10,434.68)			
31	Estimated RS-1 Balance in 1860.2060 at 6/30/02				(40,105.82)	
32						
33	RS-2 Deferred Gas Balance in 1860.2070 at 7/16/01		\$ (29,962.19)			
34	Amortization for RS-2 in 1860.2070 at 3/31/02		133,370.40			
35	Estimated RS-2 Therm Sales 4/1 through 6/30/02	23,720,104				
36	RS-2 Amortization Rate	\$ 0.00112	26,566.51			
37	Estimated RS-2 Balance in 1860.2070 at 6/30/02				129,974.72	
38						
39	GS-1 Deferred Gas Balance in 1860.2080 at 7/16/01		\$ (9,260.15)			
40	Amortization for GS-1 in 1860.2080 at 3/31/02		170,967.87			
41	Estimated Therm Sales 4/1 through 6/30/02	16,204,590				
42	GS-1 Amortization Rate	\$ 0.00222	35,974.19			
43	Estimated GS-1 Balance in 1860.2080 at 6/30/02				197,681.91	
44						
45	Industrial Deferred Gas Balance in 1860.2090 at 7/16/01		\$ (2,817.76)			
46	Amortization for T-1 & T-2 in 1860.2090 at 3/31/02		(\$43,249.86)			
47	Estimated T-1 Block 1 & 2 Therm Sales 4/1 through 6/30/02	8,379,488				
48	T-1 Amortization Rate	\$ (0.00224)	(18,770.05)			
49						
50	Estimated T-2 Contract 4/1 through 6/30/02	168,210				
51	T-2 Amortization Rate	\$ 0.00710	1,194.29			
52	Estimated Industrial Balance in 1860.2090 at 6/30/02				(63,643.38)	
53						
54	Estimated Cumulative Balance in 1860.2050 at 6/30/02				\$ 31,961.06	
55						
56	Fixed Cost Collection Deferred in 1860.2200 at 7/16/01			\$ 157,760.98		
57	Fixed Cost Collection Deferred in 1860.2200 through 3/31/02			(824,155.88)		
58	Estimated Fixed Cost Collection Deferred from 4/1 through 6/30/02			1,195,236.24		
59	Estimated Balance in 1860.2200 at 6/30/02				528,841.34	
60						
61	T-4 Exit Fee Adjustment Deferred in 1860.2210 at 7/16/01			\$ 413.92		
62	T-4 Exit Fee Adjustment Deferred in 1860.2210 through 3/31/02			(8,800.55)		
63	Estimated T-4 Exit Fee Adjustment Deferred from 4/1 through 6/30/02			(2,200.77)		
64	Estimated Balance in 1860.2210 at 6/30/02				(10,587.40)	
65						
66	Statoil Revenue Deferred in 1860.2260 at 7/16/01			\$ 1,776.91		
67	Statoil Revenue Deferred in 1860.2260 through 3/31/02			(43,840.74)		
68	Estimated Statoil Revenue Deferred from 4/1 through 6/30/02			(13,568.60)		
69	Estimated Balance in 1860.2260 at 6/30/02				(55,632.43)	
70						
71	Capacity Released/Purchased Deferred in 1860.2320 at 3/31/02				(401,828.13)	

INTERMOUNTAIN GAS COMPANY  
Analysis of Account 1860 Surcharges (Credits)  
Estimated June 30, 2002

Line No.	Description (a)	Detail (b)	Detail (c)	Amount (d)	Sub-Total (e)	Total (f)
1	Expansion II Refund Amortizations in 1860.2130 at 7/16/01			\$ (4,874.31)		
2	Amortizations Deferred in 1860.2130 through 3/31/02			3,273.00		
3	Estimated Amortizations Deferred in 1860.2130 from 4/1 through 6/30/02			0.00		
4	Estimated Balance in 1860.2130 at 6/30/02				(1,601.31)	
5						
6	Expansion II Refund Amortizations in 1860.2140 at 7/16/01			\$ (153.48)		
7	Amortizations Deferred in 1860.2140 through 3/31/02			659.13		
8	Estimated Amortizations Deferred in 1860.2140 from 4/1 through 6/30/02			0.00		
9	Estimated Balance in 1860.2140 at 6/30/02				505.65	
10						
11	Gas Cost Carrying Charge Deferred in 1860.2420 at 3/31/02			\$ (1,600.91)		
12	Estimated Gas Cost Carrying Charge from 4/1 through 6/30/02			129.86		
13	Estimated Balance in 1860.2420 at 6/30/02				\$ (1,471.05)	
14						
15	Gas Cost Carrying Charge Deferred in 1860.2430 at 3/31/02			\$ 35,039.32		
16	Estimated Gas Cost Carrying Charge from 4/1 through 6/30/02			(4,587.15)		
17	Estimated Balance in 1860.2430 at 6/30/02				30,452.17	
18						
19	NWP RP93-5 Surcharge Deferred in 1860.2500 at 7/16/01			\$ 0.00		
20	NWP RP93-5 Surcharge Deferred in 1860.2500 through 3/31/02			1,164,514.60		
21	Estimated NWP RP93-5 Surcharge Deferral in 1860.2500 from 4/1 through 6/30/02			0.00		
22	Estimated Balance in 1860.2500 at 6/30/02				1,164,514.60	
23						
24	Market Segmentation Deferred in 1860.2530 at 7/16/01		\$ 7,849.50			
25	Market Segmentation Deferred in 1860.2530 through 3/31/02		(1,782,644.53)			
26	Estimated Deferral in 1860.2530 from 4/1 through 6/30/02		(592,639.32)			
27	Estimated Balance in 1860.2530 at 6/30/02			\$ (2,367,434.35)		
28						
29	RS-1 Amortization in 1860.2540 at 3/31/02		\$ 246,466.84			
30	Estimated RS-1 Therm Sales from 4/1 through 6/30/02	5,797,051				
31	RS-1 Amortization Rate	\$ 0.00894	51,825.64			
32	Estimated RS-1 Amortization in 1860.2540 at 6/30/02			298,292.48		
33						
34	RS-2 Amortization in 1860.2540 at 3/31/02		\$ 856,083.99			
35	Estimated RS-2 Therm Sales from 4/1 through 6/30/02	23,720,104				
36	RS-2 Amortization Rate	\$ 0.00859	203,755.69			
37	Estimated RS-2 Amortization in 1860.2540 at 6/30/02			1,059,839.68		
38						
39	GS-1 Amortization in 1860.2540 at 3/31/02		\$ 635,111.07			
40	Estimated GS Therm Sales from 4/1 through 6/30/02	16,204,590				
41	GS-1 Amortization Rate	\$ 0.00870	140,979.93			
42	Estimated GS-1 Amortization in 1860.2540 at 6/30/02			776,091.00		
43						
44	T-1 Amortization in 1860.2550 at 3/31/02		\$ 143,510.09			
45	Estimated T-1 Block 1&2 Therm Sales from 4/1 through 6/30/02	8,379,488				
46	T-1 Amortization Rate	\$ 0.00505	42,316.42			
47						
48	T-2 Amortization in 1860.2550 at 3/31/02		\$ 32,019.56			
49	Estimated T-2 CD Therm Sales from 4/1 through 6/30/02	168,210				
50	T-2 Amortization Rate	\$ 0.06419	10,797.40			
51	Estimated Industrial Amortization in 1860.2550 at 6/30/02			228,643.47		
52						
53	Estimated Balance in 1860.2530 at 6/30/02				(4,567.72)	
54						
55	NWP RP95-409 Refund Deferred in 1860.2560 at 7/16/01			\$ 0.00		
56	NWP RP95-409 Surcharge Deferred in 1860.2560 through 3/31/02			(3,281,413.24)		
57	Estimated NWP RP95-409 Surcharge Deferral in 1860.2560 from 4/1 through 6/30/02			0.00		
58	Estimated Balance in 1860.2560 at 6/30/02				(3,281,413.24)	
59						
60						
61						
62	ESTIMATED ACCOUNT 1860 FIXED BALANCE AT 6/30/02					\$ (2,000,826.46)
63						
64	TOTAL DEFERRED ACCOUNT 1860 BALANCE					\$ (8,295,881.51)

**INTERMOUNTAIN GAS COMPANY**  
**T-1 Tariff Block 1, Block 2, and Block 3 Adjustment**

<u>Line No.</u>	<u>Description</u> (a)	<u>Block 1</u> <u>Therm Sales</u> (b)	<u>Block 2</u> <u>Therm Sales</u> (c)	<u>Block 3</u> <u>Therm Sales</u> (d)	<u>Total</u> (e)
1	Industrial Therm Sales (10/1/00 - 9/30/01)	29,369,084	8,588,946	2,148,510	40,106,540
2	Blocks 1 and 2 Therm Sales	29,369,084	8,588,946		37,958,030
3	Percent Therm Sales between Blocks 1 and 2	77.373%	22.627%		100.000%
4	Proposed Adjustment to T-1 Tariff <sup>(1)</sup>			\$	(0.00600)
5	Industrial Therm Sales (10/1/00 - 9/30/01)				40,106,540
6	Annualized Adjustment (Line 4 multiplied by Line 5)			<u>\$</u>	<u>(240,639)</u>
7	Annualized Adjustment (Line 4 multiplied by Line 5)			\$	(240,639)
8	Percent Annualized Sales included in Block 1				77.373%
9	Adjustment to Block 1 (Line 7 multiplied by Line 8)			\$	(186,190)
10	Block 1 Therms				29,369,084
11	Price Adjustment/Therm Block 1 (Line 9 divided by Line 10)			\$	(0.00634)
12	Northwest Pipeline TF-1 Commodity Charge Change <sup>(2)</sup>				0.00000
13	Total Price Adjustment/Therm Block 1			<u>\$</u>	<u>(0.00634)</u>
14	Annualized Adjustment (Line 4 multiplied by Line 5)			\$	(240,639)
15	Percent Annualized Sales included in Block 2				22.627%
16	Adjustment to Block 2 (Line 14 multiplied by Line 15)			\$	(54,449)
17	Block 2 Therms				8,588,946
18	Price Adjustment/Therm Block 2 (Line 16 divided by Line 17)			\$	(0.00634)
19	Northwest Pipeline TF-1 Commodity Charge Change <sup>(2)</sup>				0.00000
20	Total Price Adjustment/Therm Block 2			<u>\$</u>	<u>(0.00634)</u>
21	Total Price Adjustment/Therm Block 3			<u>\$</u>	<u>-</u>

(1) See Exhibit No. 4, Line 38, Col. (l) minus the difference of Line 23, Col. (f) minus Line 23, Col. (c)

(2) See Exhibit No. 4, Line 23, Col. (f) minus Line 23, Col. (c)